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Reaching Youth Audiences: a Growing Trend?

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If our young people are attracted to the performing arts today, will they return tomorrow, as adults? Will today's audiences become tomorrow's?

While only time can answer these questions completely, a look at performing arts data does indicate a growing interest in young audiences.

Youth audiences have expanded significantly since the early 1980s. Our Annual Survey of Performing Arts Companies shows that attendance at performances targeted specifically toward young audiences grew from 2.5 million in 1981-82 to a peak of 4.2 million in 1988-89, thereafter declining to 3.5 million by 1991-92.

This drop in the last 3 years, accounted for mostly by medium-size theatre companies, follows the general downtrend of audiences throughout the performing arts sector during this economically fragile period. Nevertheless, from coast to coast, fully 35 million young people enjoyed 123,000 performances especially directed toward them, over the last 10 years. Eighty-eight per cent of these performances were presented by theatre companies. Over and above this number, many additional young people attended performances directed towards a general audience.

performances grew between 1982-83 and 1991-92 from 117 to 193, a 65% increase.

All the performing arts disciplines (theatre, music, dance and opera) attempt to reach young audiences. The number of performances targeted at them grew consistently between 1982-83 and 1990-91, from 8,757 to 15,178, a 73% increase; in 1991-92, however the number dropped sharply to 12,390.

Theatre is the discipline which stands out in terms of the number of youngsters reached. Music, on the other hand, has shown the greatest growth. Opera companies have shown a 24% increase in the number of performances for youth, although average attendance has dropped 27% since 1987-88. Dance companies alone have experienced a downslide of 38% in both attendance and number of youth performances offered over this same period.

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Developing an Audience

Several recent studies have supported the idea that adults attending arts performances have been exposed to the performing arts as children. For example, a study prepared for the Ontario Ministry of Citizenship and Culture¹ showed that early attendance at concerts of symphony or other classical music was correlated with current attendance patterns. Seventy per cent of the frequent attenders reported that they had gone to such concerts as children. More and more companies are developing youth audiences, in the hope that this will broaden attendance at performing arts activities in the future. The number of companies presenting youth

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Music For Young Audiences On The Rise

Music companies have greatly increased their efforts to reach the young. In the last five years alone, there has been an increase of 54% in the number of performances for youth from 653 to 1005 (see Figure 1), and a 16% increase in attendance, from 388,000 to 449,000. Although the number of performances offered has increased substantially, the response from the young public has not quite met all expectations, as the average attendance per performance declined by 25% between 1987-88 and 1991-92. Of the performances given by music companies, the share of performances targeted toward young audiences has increased from 21% to 27% over the same period. By targeting this age group, they are educating tomorrow's audiences in an effort crucial to their long-term survival.

Theatre: A Kid's Favourite

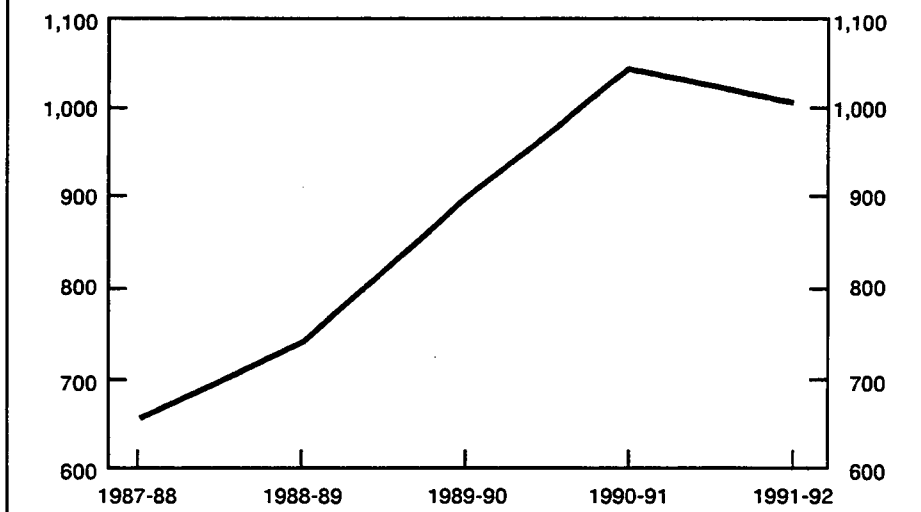
Theatre is the most popular of the performing arts disciplines. Theatre for young audiences attracts more children by far than all other disciplines combined (2.8 out of 3.5 million). Young audiences represent a full 33% of the total theatre-going audience.

Touring is the favoured venue for presenting theatre to young audiences (TYA). As a matter of fact, 68% of all TYA attendance occurs at touring performances. Average attendance at TYA events is also much higher on tour than at home, by almost 3 times.

There are in fact a significant number of theatre companies which choose to perform primarily for kids. Performing for youth has indeed become a theatre sub-specialization, a phenomenon rarely found in the other disciplines. Our 1991-92 survey found 50 theatres companies which worked primarily or solely in TYA. These 50 companies draw 76% of the total attendance at theatre presented for youth. Another 57 theatre companies present performances targeted toward young audiences as what may be termed a secondary activity. Audience targeting of this nature allows companies to fine-tune their presentations for this audience, enabling the creation of shows of the right length for a restless audience with a shorter attention span.

Figure 1

Increase in music performances targeted for youth



The 50 companies working primarily with young audiences are mostly of medium size (defined as having total revenue between \$200,000 and \$800,000). They showed an average surplus per company of \$5,800, just under half of the average reported by all medium-sized theatre companies. The provincial breakdown of the companies indicates that 26 of them (52%) are located in Quebec, 11 in Ontario, and the other 13 scattered across Canada. Nevertheless, Ontario companies reached the largest audience, 895,000.

Since 1985-86, government grants to these 50 companies have increased by 73%, contributing to the almost doubling of the total revenue for these companies in that time period. A wide variety of programming for the young and also tailoring works exclusively to

their audience, have in all likelihood contributed to the success of these companies.

The Challenge . . .

The challenge remains for performing arts companies to continue to attract young people to their live performances, youngsters who will continue choosing performing arts from among those pastimes in other fields competing for their interest, leisure time and entertainment dollars.

¹ Access Survey Research, *The Perceptions, Attitudes and Behaviour of Ontario Residents Towards the Arts in the Province: 1983* - Prepared for the Special Committee for the Arts, Ontario Ministry of Citizenship and Culture (October 1983). □

TV and Radio, Books and Magazines—Supporting the Economy

Fidelis Ifedi, Project Manager, Periodical Publishing

For many people the phrase "print and broadcast media" brings to mind books, magazines and radio or television programs. However, consumers of these products rarely consider their economic value; specifically, how they generate employment and income for

thousands of Canadians, who depend on the print and broadcast media for their livelihood.

Besides their cultural, educational and entertainment value, these media facilitate economic activity for individuals, institutions and industries.

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They are also important advertising vehicles for Canadian goods and services. In fact, hundreds of products and services are traded every day as a result of media exposure. Advertising revenue, the mainstay of these media, supports many jobs, from creating goods and services to delivering them.

This article looks at the economic activities of these media and assesses their direct economic impact through their contribution to gross domestic product (GDP) (see Definitions). It also looks at the number of Canadians this sector supports, how much consumers spend in this area, and the amount of capital investment in these industries.

Growing Contribution to GDP

In 1991, the print and broadcast media contributed \$7.1 billion to GDP: \$4.3 billion for print and \$2.8 billion for broadcast media (Table 1). Books, newspapers, periodicals and other printing and publishing industries increased the print media's share of GDP by 30% from 1986 to 1991, averaging 5.4% annually. Radio and television (broadcast media) grew an average of 5.5% yearly, up 31% from 1986.

In comparison, the GDP for the entire manufacturing industry during the 1986 to 1991 period grew by 3.8%, at an average of just 0.7% annually. This low growth was mainly caused by the recession of the 1990s. At the manufacturing level, GDP dropped two years in a row—by 2.6% in 1990 and by a whopping 15.3% in 1991. Even in the thick of the recession, the broadcast media registered steady growth, and the print media declined by just 3.6% from 1990 to 1991.

The print and broadcast media accounted for 1.4% of Canadian GDP at factor cost in 1991. They provided a livelihood for 90,825 Canadians — down 5% from 1990, but still 2 percentage points less than the loss in jobs in the manufacturing sector overall. The number of jobs in all sectors dropped by 2% from 1990 to 1991 as GDP dipped 1%.

The Ripple Effect

Although the print and broadcast media contribute directly to the economy, this is not the whole story. They also produce significant indirect or secondary affects as any contribution to

GDP has a multiplied or ripple effect on production and employment.

The multiplier for the print media was estimated at 1.68 in 1991, meaning the actual economic impact was over \$7.2 billion, 1.68 times greater than its initial \$4.3 billion contribution to GDP. With a multiplier of 1.53, broadcasting contributed \$4.3 billion.

Productive Workers

Output per worker in the print and broadcast media has been high over the years, consistently outpacing manufacturing and the Canadian economy as a whole. In 1991, labour productivity (GDP per worker) in print media was 1.7 times that of all manufacturing industries combined, and almost twice that of national productivity. Workers in broadcasting showed similar high productivity.

Capacity utilization (see Definitions) was also higher in the print media than in the total manufacturing sector during the 1986 to 1991 period. In 1986 and 1987, the print media operated at 91% capacity, 10 percentage points higher than the manufacturing industry. Although the gap has narrowed over the years, the print media still maintain a slight edge.

Recession Didn't Affect Spending

Reading, watching television and listening to the radio are among Canadians' favourite pastimes. The extent of these activities determines the demand for goods and services offered

Definitions

The print and broadcast media's contributions to gross domestic product (GDP) are calculated using the **income approach**:

GDP = return to factors of production (labour and capital).
= wages, salaries and supplementary labour income + corporation profit before taxes + interest payments + depreciation.

The **multiplier** was derived from detailed tables, Statistics Canada's Input-Output Division.

Capacity utilization is the maximum production attainable under normal operating practices, considering productive facilities, overtime, work shifts, holidays, etc.

by the the print and broadcast media. In 1991, consumers spent 1% of their disposable income on printed materials, mostly books, newspapers and periodicals. This means that, on average, a family with a disposable income of \$50,000 spent \$500 a year on printed materials. Families spent about half as much (0.5% of their total expenditures) on cable television. This share has remained fairly stable, even during the recent recession. Between 1986 and 1991, the demand for printed materials increased by 44% and the demand for cable subscriptions more than doubled.

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Table 1
Jobs and Gross Domestic Product (GDP)¹ Over Six Years

	1986	1987	1988	1989	1990	1991
PRINT MEDIA:						
- Jobs	48,827	50,759	54,231	58,276	55,995	52,515
- GDP (\$Million)	3,278.0	3,604.0	3,946.2	4,257.8	4,415.4	4,255.5
- GDP Change (%)	-	9.95	9.50	7.90	3.70	-3.62
BROADCASTING:						
- Jobs	36,783	38,232	38,724	39,569	39,609	38,310
- GDP (\$Million)	2,133.8	2,238.8	2,430.4	2,625.4	2,757.8	2,793.7
- GDP Change (%)	-	4.92	8.56	8.02	5.04	1.30
MANUFACTURING:						
- Jobs	1,739,000	1,900,000	2,104,000	2,126,000	2,001,000	1,865,000
- GDP (\$Million)	86,789.3	94,498.1	105,839.0	109,155.3	106,320.0	90,047.4*
- GDP Change (%)	-	8.88	12.00	3.13	-2.60	-15.31
CANADA						
- Jobs	11,531,000	11,861,000	12,244,000	12,486,000	12,572,000	12,340,000
- GDP (\$Million)	390,435	426,052	471,975	502,383	516,921	512,662
- GDP Change (%)	-	9.12	10.78	6.44	2.89	-0.82

¹ GDP at factor cost.

* estimate

Furthermore, the television audience is a faithful one and viewing habits have not changed much over the years. Canadians 18 years of age and over have watched about the same number of hours per week for several years: 27 hours for women and 22 for men.

Attracting More Capital

With their growing contribution to GDP and high productivity, the print and broadcast media have attracted a fair amount of capital, reflecting increased demand for their goods and services and a potentially decent return on investment. Actually, both media reported a strong return on investment — 5% in 1991. And the broadcast media alone recorded a 4% return. In comparison, the return on investment for the entire manufacturing industry was about half as much (2.4%).

In 1986, the print media's capital expenditures were \$314 million. By 1991, this figure had more than doubled to \$762 million, with an average annual growth rate of over 19%. These figures exclude expenditures on machinery repair, equipment and other durable goods. The broadcasting media doubled capital expenditures over the same period, averaging 9% annually. And with the emerging information superhighway, capital investment in this sector is bound to increase. Capital expenditures in manufacturing did not grow as much, rising 28% over the period from 1986 to 1991, with an annual average growth rate of 5%.

Because 45% of the money in the print and broadcast media comes from owner equity and over half (55%) comes from borrowed funds, owner control is limited. However, business owners or investors are well able to service interest charges on debts, especially since the demand for goods and services produced by this sector is increasing and labour productivity remains high.

Conclusions

With contributions to GDP, employment and productivity growing in the print and broadcast media, this sector should be competitive globally. However, because of certain constraints — a limited domestic market and increasing free trade — all groups within the sector may not be competitive.

Compared with the United States, Canada's biggest trading partner, the domestic market can only absorb a limited amount of goods and services. Some companies may have to restructure, by dropping unprofitable operations, consolidating others, or merging with similar companies.

If the recent merger of Maclean Hunter Limited and Rogers Communications Incorporated is any indication, the print and broadcast media are positioning themselves to take full advantage of the information superhighway. This is certainly an area that will continue to affect the way we live and do business. □

How to Find Out More.....

We hope you find this bulletin both informative and useful. Please write, fax or phone us with your comments:

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Note of Appreciation

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Film and Broadcasting Research Working Group: An Eye Towards the Future

Statistics Canada and the Department of Canadian Heritage jointly hosted a gathering of film and broadcasting agencies, associations and ministries from across the country, on December 1, 1993. Recent meetings had underlined the need for the community of researchers, information users and data gatherers to meet and review the state of film and broadcasting statistics, and to recommend ways to best meet the growing demand for information.

The primary objective of this meeting was to improve research in the film, video and broadcasting sector by facilitating the exchange of knowledge, experience and existing information. It was hoped that this could be achieved by establishing a more open and cooperative environment involving various parties with similar research and data interests.

The response to the invitation was overwhelming. More than 40 individuals attended the session, representing over 30 different industry associations, unions, collectives, film development corporations, economic development offices, and other government agencies and departments. In addition to national level organizations such as Telefilm

Canada, the Canadian Association of Broadcasters, the Copyright Board, the National Film Board and the Canadian Radio and Television Commission, the provinces of Manitoba, Saskatchewan, Nova Scotia, Alberta, Ontario and Quebec were also represented.

Discussion centred around a few key items, the first being the fact that many potential sources of data exist in virtually every organization present at the table. However, it quickly became evident that even the most seasoned researcher of film and broadcasting was not aware of the complete array of data possibilities. Statistics Canada agreed to coordinate the creation of a directory of existing databases for the film and broadcasting sector. All session participants were invited to send a description of their data holdings for inclusion in the directory, and many have already responded.

There was enough interest expressed in specific research projects to warrant the creation of four smaller working groups. These include:

- **Economic impact:** studies on both a national and a provincial level (employment, contribution to GDP, etc.)

- **Location shooting:** establishment of a standard practice for measuring the value of location shooting by foreign production companies
- **Imports/exports:** (especially exports) development of improved measures; more clarification on which items are included
- **Movie Theatres and Home Entertainment:** development of a better mechanism for measuring access to screens, as well as faster, better box office statistics and measurement of video retail and rental markets.

The positive response to this initiative suggests that the time is right for a more coordinated approach to research and statistical activities. In the current climate of economic restraint, all parties stand to benefit from increased collaboration and better consistency in data integration and interpretation.

If you are interested in adding information about your association's data holding to the directory, or if you are interested in more information about any of the working groups outlined above, please call Michel Durand at (613) 951-1566. □

Distinctive Characteristics of the Cultural Sector Labour Force

Paul Labelle, formerly of the Cultural Sector Labour Force Project

Data from the 1991 Census help us paint a new portrait of the cultural sector labour force and its distinctive socio-demographic characteristics. The Census information provides valuable insights into the working lives of the 348,000 individuals whose primary occupation is involved in the arts, cultural industries and heritage. Both creators and disseminators of works of art are included.

Gender distribution parallels total labour force

The proportion of men (54%) and women (46%) employed in the cultural sector is similar to that of the total labour force. Of the 189,000 men and 159,000 women working in the cultural sector, greater proportions

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For this analysis of the 1991 census data, creators of works of art include painters, designers, photographers, conductors, musicians, actors, radio and television announcers, writers and craftspeople. Disseminators of works of art include curators, librarians, archivists, typesetters, radio and television broadcasting equipment operators, bookbinders and projectionists.¹

Census figures reveal that slightly more than half of the experienced cultural sector labour force², or 197,000 people, are employed in the creation of works of art, while 43% (151,000) concentrate in the dissemination of works of art (see Table 1).

Occupations in fine arts, commercial arts and photography represent the largest segment of creators (24%),

followed by writers and editors. Fully one in five people (20%) of those involved in the dissemination of works of art is employed in printing and related occupations.

¹ The Standard Occupational Classification (SOC) system of 1980 is used here to define the labour force of the cultural sector using 1991 census data. The SOC contains major groups which are divided into minor groups which are further divided into unit groups, the smallest unit used in the SOC. In this analysis, we concentrate mainly on minor groups. Also for this analysis, the SOC was grouped by principal area of activity (creation or dissemination).

² These are persons who, during the week prior to the census were employed or unemployed but who had worked since January 1, 1990. All data in this article refer to the experienced labour force.

Table 1
The Experienced Labour Force of the Cultural Sector

	Total	Men	Women
	%		
Creation of works of art	57	59	54
Architects	3	5	1
Occupations in fine and commercial arts and photography	24	23	25
Occupations in performing and audio-visual arts	14	17	11
Writers and Editors	15	13	17
Dissemination of works of art	43	41	46
Fine arts teachers	8	4	12
Occupations in library, museum and archival sciences	8	3	14
Printing and related occupations	20	25	14
Electronic and communications equipment operating occupations	3	5	1
Other crafts and equipment operating occupations	4	4	4

Source: 1991 Census of Canada

Note: Percentages may not add up to 100 due to rounding.

(59% and 54% respectively) are involved in the creation of works of art. The slightly higher proportion of women (46%) involved in the dissemination of works of art is due to the much larger number of female fine arts teachers and female library, museum and archival sciences workers.

Higher proportion aged 25 to 44

Thirty-four percent of the cultural sector labour force is between the ages of 25 and 34, while only 29% of non-cultural workers fall in this age group. Twenty-nine percent of cultural workers are between 35 and 44 years against 26% for the rest of the working population. Cultural workers, however, are under-represented in both the younger and older age groups.

More highly educated

Almost 95,000 people employed in the cultural sector have university degrees. This represents 27% of all cultural workers, almost double the figure for the rest of the labour force where only 14% holds a university degree. An additional 15% of cultural sector workers have taken some university courses compared to 11% of other workers. As well, 21% of the cultural labour force has a non-university diploma, as opposed to 19% for the rest

of the labour force. The difference between the cultural and non-cultural sectors is even more evident when figures are compared for workers with no post-secondary education. Forty-eight per cent of non-cultural workers have 13 years of schooling or less, while less than one-third of cultural workers have 13 years of schooling or less.

Income comparable to total labour force

Data from the 1991 Census reveal that the average employment income of workers in the cultural sector is similar to the national average of \$24,500. Despite this similarity, a detailed analysis of the data reveals certain

occupational differences. Seventy-two per cent of architects, 64% of workers in electronic and communication equipment operating occupations and 53% of editors earn more than \$24,500. However, 71% of workers in othercrafts, 72% of fine arts teachers and 63% of occupations in fine and commercial art and photography earn \$24,500 or less. More than 50% of those employed in all the other groups represented in Table 1 also earn less than \$24,500.

Level of education and income

While the Census data clearly show a relationship between education and income, it appears that education is less important as a determiner of income in the cultural sector compared to the rest of the experienced labour force (see Table 2). Among cultural workers who earn more than \$24,500 per year, there is a difference of just 6 percentage points between cultural workers with more than 13 years of schooling and those with less schooling. In comparison, the non-cultural sector shows a difference of twice that, at 16 percentage points.

Ontario and Quebec dominate

As with the total Canadian labour force, the cultural sector is more concentrated in the more populous provinces. Together, Ontario and Quebec employ close to 70% of all cultural workers, although these two provinces account for just 62% of the total labour force. This results in a slight under-representation in the Atlantic and the Prairie provinces. Interestingly, the Northwest Territories is the only other area where the cultural sector is "over-represented" (although marginally).

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Table 2
The Experienced Labour Force of the Cultural Sector

	Yearly employment income	Schooling	
		13 years or less	More than 13 years
		%	
Cultural sector	\$24,500 or less	60	54
	More than \$24,500	40	46
Non-cultural sector	\$24,500 or less	66	50
	More than \$24,500	34	50

Conclusion

The cultural sector labour force, as identified from the census data, is highly educated and relatively young in comparison to the total labour force. It is more concentrated in the creation of works of art than in their dissemination, more so for men than women. Although

the average employment income of workers in this sector as a whole is similar to the national average, many earn less than average. Their level of education does not yield the same financial benefits as in the rest of the labour force. Finally, more than two-thirds of all cultural workers live in Ontario and Quebec.

A consortium of government partners has been formed to further this study of the cultural sector labour force, using the Census. More information on this consortium is in the Spring 1994 issue of *Focus on Culture*. If you are interested in participating, please call the toll free number 1-800-661-2100. □

Culture Counts

The second edition of *Culture Counts*, the newsletter from the Cultural Sector Labour Force Project is now available. Through this project, Statistics Canada, under contract to Human Resources Development Canada, is currently in the process of obtaining comprehensive information on individuals working in the

arts, cultural industries, and heritage sector: their labour market status and patterns, training, income and financial support, and demographic characteristics. Interviewing for the survey began in late May and results will be available at the end of November. The newsletter is to keep

the cultural community informed about the project. If you would like to be on our mailing list for *Culture Counts*, or receive other information about the Cultural Sector Labour Force Project, please call our toll-free number, 1-800-661-2100. □

Who's Investing? Canadian Film Production and Development Budgets

Nancy Ghalam, Former Project Manager, Film and Video

Despite the unfavourable economic climate of the past few years, there are signs that the Canadian film production industry is coming of age. With the advance of the information superhighway, all forms of audio-visual communication are becoming hot property. For instance, major Canadian film production and distribution companies went public on the Toronto stock market in 1993. As technologies converge and markets become more globalized, what will happen to the demand for film and video productions? Who is investing in Canadian film projects?

In order to respond better to requests for this type of information, Statistics Canada included detailed questions about production and development budgets, by title, on the Film, Video and Audio-visual Production Survey, beginning with the 1991-92 reference year. Preliminary data suggest important differences in the financing structure of film production in Canada during 1991-92 and 1992-93, depending upon the type of production and its intended market. To put these statistics into context, it is important to understand the infrastructure of the film production industry, and the magnitude of each of its market segments.

Market Structure of the Film Production Industry

The film production industry in Canada can be divided into three major market or client categories:

1. Distributors of theatrical feature films;
2. Television, including conventional TV, pay and specialty services;
3. Sponsors of non-theatrical productions, including advertising agencies, government departments and agencies, educational institutions, and industries.

In terms of gross production revenue, the non-theatrical sector represents the biggest market for film production. In 1992-93, non-theatrical productions such as television commercials, music videos, corporate videos, home videos and educational productions generated a total of \$312.51 million in revenue, representing 53% of total production revenue. Television production followed closely behind, garnering a further \$267.9 million for a market share of 46%. On the other hand, production revenue from theatrical feature films fell to just \$4.1 million in 1992-93, for a market share of merely 1%. Generally speaking, however, these shares did not change dramatically from 1991-92².

The vast majority of production companies (88% in 1991-92) earned the largest portion of their production revenue in a single film market (for example, television, advertising or feature films). In fact, television and theatrical feature producers earned 90% of revenue in their primary market alone. This tendency to specialize does not appear to have been affected yet by new technologies or market globalization.

Role of Public Versus Private Financing

During times of economic restraint, all types of public spending come under scrutiny. Funding of arts and culture is no exception. Screen time in most Canadian movie theatres is dominated by Hollywood productions. Similarly, the penetration of U.S. product on the small screen is high. However, looking at the English-language television market, where competition is perhaps the strongest, we can see that the number of scheduled hours of Canadian drama on conventional stations has approximately doubled over the last decade. As a percentage of all viewing on conventional stations, audiences for these programs have shown a similar growth pattern.

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How is this increasing Canadian film production being financed?

Considering the film industry as a whole, private financing accounted for about 75-80% of all production and development budgets in 1991-92 and 1992-93. This figure is influenced to a large extent by the fact that non-theatrical film and video production is almost entirely privately financed, and that this market accounts for over half of all production revenue. In 1992-93, private investment accounted for 94% of the \$176.2 million in total non-theatrical budgets, up from 89% the previous year.

Of the film and television market segments, public sector funding represents a larger share of total budgets for feature films than for television productions: 31% versus 21% in 1992-93. This represents a substantial shift from 1991-92, when 45% of feature film and 27% of television financing came from public sources.

Between 1991-92 and 1992-93, private investment in theatrical features increased 11% from \$32.1 million to \$35.7 million, while for television productions the increase was just 4%, from \$239.6 million to \$249.3 million. Conversely, financing from public sources dropped by 35% for feature films and 19% for television. However, the gross amount invested in film and television is obviously related to the number of productions made, and this figure also fell in 1992-93.

Larger Budgets per Production

There were 16,412 Canadian film and video productions completed in 1992-93, a decrease of 17% from 19,891 productions the previous year. On the other hand, total production and development budgets increased by 5%, leading to a larger budget per production ratio. In 1992-93, budgets averaged \$34,000 per production compared with \$26,000 in 1991-92. This increase was especially pronounced for the financing of feature films where the budget per title jumped 49% from \$1.04 million to \$1.50 million. The average television commercial also cost substantially more to produce in 1992-93 at \$31,000, versus just \$20,000 the previous year, an increase of 55%.

However, the average budget for television productions³ remained virtually unchanged at \$44,000.

The phenomenon of making fewer productions with bigger production and development budgets may be an effect of the economic recession beginning in 1991. When the financial climate is less stable, investors tend to be more risk averse. It is possible then, that larger film budgets are a reflection of investors committing their film capital to bigger projects which are perceived to have a greater chance of success. With this in mind, it is interesting to note that the overall jump in the average feature film budget in 1992-93 was primarily the result of increased private sector investment. While public financing remained fairly steady at about \$480,000 per film, investment from private sources jumped 79%, from an average of \$573,000 to \$1,023,000 per film.

Increasing Exports: The Impact of Official Co-productions

The value of exports in the film industry, defined as the value of production revenue obtained from foreign clients, rose sharply in 1992-93 to \$132.0 million from just \$84.0 million in 1991-92. This shift may be explained in part by the surge in foreign investment in official co-productions with Canada. Although the number of television co-productions increased only marginally from 43 to 47, and actually dropped from 11 theatrical features to just 4, 1992-93 saw a huge increase in their overall production and development budgets. Financing from domestic and foreign sources more than doubled for television co-productions, resulting in a dramatic 214% jump in total budgets from \$33.6 million to \$105.5 million.

Compared with the impressive increase in television co-productions, total feature film budgets were up just 35% to \$23.6 million in 1992-93. However, a remarkable increase in feature film co-production financing was reported for the foreign investment component. This figure more than tripled, jumping from \$3.4 million over 11 co-productions to \$15.8 million over just 4 productions in 1992-93. Accordingly, the share of overall co-production budgets accounted for by foreign investment also increased significantly for theatrical

feature films. In 1992-93, foreign financing represented 67% of total budgets, versus just 19% the previous year.

It appears then, that the increase in film production exports in 1992-93 may be largely accounted for by a steady level of television co-production with substantially larger budgets, and a few major feature film co-productions attracting important levels of financial support from non-Canadian partners. In fact, foreign investment in feature film co-productions counted for 82% of total foreign financing of all Canadian features, up from just 37% in 1991-92. This undoubtedly attests to the increasing importance of international partnerships to the Canadian film industry, and to the globalization of market tastes.

In Conclusion...

Given the popularity of movies and television, people often tend to equate the film industry with the television and theatrical feature film markets. However, looking at the bigger picture, the significance of the non-theatrical market becomes more obvious. It should also be noted that unlike some other cultural areas, the level of public funding of this sector is a much smaller proportion of budgets than private sector investment. In addition, like other segments of the overall film industry⁴ Canadian producers appear to be successfully adapting their strategies to the global market, as evidenced by the increase in foreign investment, particularly for co-production ventures.

¹ For the purposes of this analysis, this figure also includes the production revenue earned from distributors for placements other than television productions or theatrical features, from other producers for contract production work, as well as other production revenue.

² All dollar figures reported in this article are expressed in constant 1992 dollars, calculated using the All-items Consumer Price Index.

³ Each episode in a television series is counted as a separate production.

⁴ See "Movie Theatres and Drive-ins Respond to Changing Entertainment Market", in Focus on Culture, Statistics Canada, Catalogue 87-004, Autumn 1993.

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Table 1

Production and development budgets of Canadian and co-production feature films and television productions

	Canadian		Co-production	
	1991-92	1992-93	1991-92	1992-93
Feature films				
Number of productions	56	35	11	4
Financing (\$millions)				
Public	25.7	16.8	6.4	x
Private				
Canadian	22.6	16.4	7.4	7.8
Foreign	9.1	19.4	3.4	15.8
Total	57.4	54.4	17.3	23.6
Television				
Number of productions	7,504	7,414	43	47
Financing (\$millions)				
Public	86.8	69.9	6.5	14.0
Private				
Canadian	174.0	137.4	6.9	31.8
Foreign	62.0	111.9	19.7	52.3
Total	323.0	326.8	33.1	105.5
Non-theatrical productions				
Number of productions	12,331	8,963	..	..
Financing (\$millions)				
Public	16.3	11.2	..	..
Private	123.7	163.4	..	..
Total	142.2	176.2	..	..
Total number of productions	19,891	16,412	..	..
Total budgets	522.5	557.4	..	..

All figures in current dollars.

.. figures not available

x confidential to meet secrecy requirements of the Statistics Act □

Goings and Comings

Iain McKellar, the Assistant Director of the Culture Sub-division, is leaving Canada on June 14 for an 18 month exchange with the Australian Bureau of Statistics. He is going as the Director of the National Culture/Leisure Statistics Unit, a position currently held by Barry Haydon, who in turn, is coming to Canada to replace Iain at Statistics Canada. We all wish Iain the best of luck, and at the same time, look forward to welcoming Barry when he joins us in July.

Publications

Still available	Price in Canada	Still available	Price in Canada
87-202 Sound Recording, 1991-92	\$22.00	87-207 Heritage Institutions, 1991-92	\$30.00
87-203 Periodical Publishing, 1991-92	\$17.00	87-208 Television Viewing, 1992	\$26.00
87-204 Film and Video, 1991-92	\$22.00	87-209 Performing Arts, 1991-92	\$30.00
87-206 Government Expenditures on Culture, 1991-92	\$17.00	87-210 Book Publishing, 1991-92	\$17.00

SELECTED INDICATORS Heritage Institutions

Indicator	1987-88	1990-91	1991-92	% Change 1987-88 to 1991-92	% Change 1990-91 to 1991-92
NUMBER OF INSTITUTIONS	2, 218	2,285	2,262	2.0	-1.0
TOTAL ATTENDANCE (millions)	104.2	111.5	109.7	5.3	-1.6
AVERAGE ATTENDANCE ¹ (#)	49,686	51,642	51,228	3.1	-0.8
Museums	19,601	20,609	19,502	-0.5	-5.4
Historic Sites	45,804	46,412	47,008	2.6	1.3
Nature Parks	306,430	329,540	328,252	7.1	-0.4
Archives	1,792	2,692	2,453	36.9	-8.9
Exhibition centres	22,262	26,895	24,839	11.6	-7.6
Planetariums & Observatories	25,880	24,493	29,202	12.8	19.2
Aquariums & Zoos	323,063	303,323	289,141	-10.5	-4.7
Botanical Gardens	244,551	208,706	202,086	-17.4	-3.2
EARNED REVENUE (\$ millions)	161.0	220.4	226.7	40.8	2.9
As % of Operating Revenue	20.7	21.3	20.4	...	...
As \$ amount per attendee	1.54	1.98	2.07	34.4	4.5
TOTAL GOVERNMENT FUNDING (\$ millions)	574.4	751.8	802.0	39.6	6.7
As % of Operating Revenue	73.8	72.6	72.2	...	...
As \$ amount per attendee	5.51	6.74	7.31	32.7	8.5
FEDERAL GOVERNMENT (\$ millions)	261.0	339.2	346.1	32.6	2.0
PROVINCIAL GOVERNMENT (\$ millions)	225.7	288.8	312.9	38.6	8.3
OTHER GOVERNMENT (\$ millions)	87.6	123.8	143.0	63.2	15.5
CORPORATE SUPPORT (\$ millions)	19.7	34.2	52.7	168.1	54.0
As % of Operating Revenue	2.5	3.3	4.7	...	...
TOTAL OPERATING REVENUE(\$ millions)	778.1	1,034.9	1,110.1	42.7	7.3
AVERAGE OPERATING REVENUE(\$ thousands)	384.8	495.4	530.4	37.8	7.1
by size group					
\$1,000,000 and greater	4,064.7	4,810.8	5,157.3	26.9	7.2
\$500,000 - \$999,999	714.3	659.6	663.3	-7.1	0.6
less than \$500,000	74.3	86.0	88.1	18.6	2.5
PERSONNEL(#)					
Full-time	11,370	12,414	12,466	9.6	0.4
Part-time	18,469	19,470	19,477	5.5	--
Volunteers	36,329	46,055	49,040	35.0	6.5

¹ Tabulated only for those institutions reporting attendance (includes researchers).

... figures not appropriate or not applicable

-- amount too small to be expressed

For more information on the Heritage Institutions Survey, see the publication *Heritage Institutions, 1991-92* (catalogue 87-207) or call Erika Dugas (613) 951-1568.