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Canadian Television in Transition

Tom Gorman and Susan Crompton¹

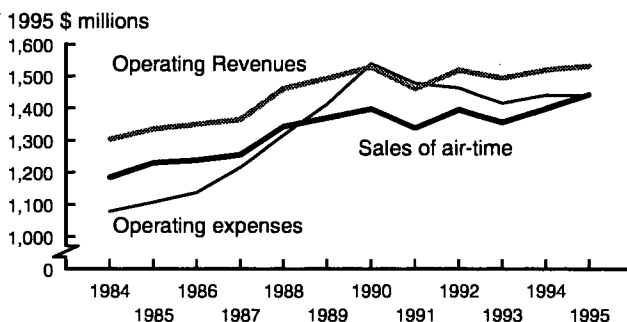
In the early days of television, the power of the image was immense and its novelty quickly displaced traditional leisure activities. Soon, families started to congregate around the set. Many businesses benefited from this new activity as television offered a powerful advertising medium coupled with a rapidly growing base of potential customers. However, times have changed: the number of stations has proliferated, the simple television set has been elevated to a multi-purpose entertainment unit, and other activities make substantial claims on viewers' time. These forces are splitting apart the mass audience on which conventional broadcast television depends. The fragmentation has prompted advertisers to re-direct some of their business elsewhere, thus jeopardizing broadcasters' ability to pay for programming that will lure viewers -- and advertising dollars -- back to television.

The economics of private broadcasting

Conventional television broadcasting is fairly simple: the television station transmits a radio signal, a TV antenna receives the "off-air" signal and viewers watch the program being "broadcast." The basic economics of private television broadcasting are fairly simple as well². Broadcasters cannot charge for the service they provide the viewer (entertainment), so they charge for the service they provide businesses (advertising to potential customers). In 1995, advertisers bought over \$1.4 billion worth of air-time, accounting for 94% of total revenues reported by private television stations. But in recent years, advertising income has not been growing. Air-time sales for broadcast television were almost stagnant between 1989 and 1995, increasing only 5% after inflation is taken into account. Over the same period, employment declined by 3% and net profits before taxes plunged 167% in two years (to -\$75 million in 1991) before recovering to \$92 million in 1995³.

Broadcasters have often attributed much of their trouble to the introduction of pay-TV and specialty television services such as MuchMusic, The Sports Network, CBC Newsworld, YTV and the Arts & Entertainment network. But the decline of conventional broadcasting was underway before pay-TV and the specialty channels were launched. To all intents and purposes, it had begun twenty years before.

Air-time sales in 1995 met operating costs of private television for the first time since the late 1980s



Sources: Statistics Canada, *Radio and Television Broadcasting*, Catalogue no. 56-204-XPB; and *Service Bulletin: Communications*, Catalogue no. 56-001-XPB

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¹ This article is reprinted (with changes) from "Canadian Television in Transition" in *Canadian Social Trends*, Spring 1997, Statistics Canada Catalogue no. 11-008-XPE, pp. 19-23.

² This article does not discuss the CBC because most of the financial and employment data that the corporation provides cannot be compared with data reported by private broadcasters.

³ All dollar values in this article have been converted to constant 1995 dollars using the Consumer Price Index (CPI) to adjust for inflation.



A brief history of broadcasting in Canada

The first daily television broadcast in North America was made in 1939, from the site of the World's Fair in New York. The popularity of the new medium was such that, by 1951, there were 12 million television sets in the United States and 90,000 in Canada, all receiving American programming.

Canadian television history began in September 1952, when the Canadian Broadcasting Corporation (CBC) first broadcast from Montreal and Toronto. At that time, there were 146,000 television sets in Canada; three months later, there were 224,000. By 1956, 27 private and CBC-owned stations had sprung up, serving three-quarters of the population of 15 million. All the stations carried more than 50 hours of CBC-affiliated programming a week, almost half of which were Canadian.

Over time, some stations abandoned their CBC affiliation to become independent. Although they became responsible for their own programming and had no share in the CBC network revenues, they were now free to purchase American programming, the supply of which was cheaper and more varied than the homegrown product. In 1961, almost a decade after television had come to Canada, the CTV Television Network was created. CTV was a "cooperative" of newly licensed stations and older stations that had dropped their CBC affiliation. It did not - and still does not - actually own any stations; rather, it operates through a system of affiliates that carry a certain amount of common programming and share the network's profits.

In the late 1960s, the TVA Television Network was created, a French language network operating in the same manner as CTV. In the mid-1980s, Télévision Quatre Saisons (TQS) network was inaugurated, also operating along similar lines. Smaller networks such as CanWest/Global were also created.

By 1994, there were 101 private television stations in Canada: 33 were affiliated with CTV (18 full and 15 supplementary affiliates), 31 with the CBC (26 English and 5 French), 10 with TVA and 8 with TQS. The remaining 19 private stations were independent.

Broadcast television's reign is challenged

In the 1960s, cablevision came to Canada. With better reception and more channels than could be plucked out of the air with an antenna, people were willing to pay for cable service. By 1995, 7.8 million households subscribed to cablevision.

Cable's real challenge to conventional "off-air" broadcasting was not simply that it offered more channels, but that it offered channels that were not "broadcast" over the airwaves at all.

Cable made possible the development of pay-TV and specialty services, channels that were distributed directly by cable operators to paying subscribers. Compared to the conventional broadcasting networks, pay-TV and the specialty services are "boutiques" catering to audiences with particular tastes and interests. This feature was attractive to viewers, who could see more of their preferred type of programming; it was also attractive to advertisers, who could target the most desirable audience for their products.

Pay-TV and two specialty services (MuchMusic and The Sports Network) were introduced in 1983. Pay-TV could not carry commercials, but the specialty channels could, and as more specialty services were licensed in 1989 and again in 1995, the Canadian television viewing and purchasing audience was fragmented still further. As of 1995, there were almost five times more subscribers than in 1989 (5.5 million) to pay-TV and the specialty services. All were competing with conventional broadcasting for much the same audience.

Fighting for the mass audience is costly

Holding a television audience depends on programs. And programming, whether produced or purchased, constitutes the largest single operating expense for private broadcasters. It has consumed an ever increasing share of operating revenues over the past decade, rising from an average 49% of revenues between 1984 and 1988 to 54% between 1989 and 1995⁴.

In 1995, private broadcasters spent \$825 million on programming - about \$469 million directly on Canadian programs, \$281 million on non-Canadian programs, and another \$75 million on production and miscellaneous program costs. The largest share of the money devoted to Canadian programs was dedicated to

⁴ Although the period of increased programming costs coincides with the first wave of specialty television expansion, other factors also affected costs. For example, during this period the Canadian Radio-Television and Telecommunications Commission (CRTC) was pressing private broadcasters to spend more on Canadian programming; meanwhile, the small CanWest/Global Network was aggressively pursuing U.S. programs, thus driving up prices for foreign dramas and comedies.

Program expenses of privately owned television broadcasters in Canada, 1995

	News/ information	Sports	Comedy/ drama	Music/ variety/ games	Human interest	TOTAL
\$ 000s						
Program cost	301,617	46,503	281,044	56,764	63,768	749,695
Canadian	286,318	41,793	56,671	40,689	43,277	468,748
Non-Canadian	15,299	4,710	224,373	16,375	20,491	280,948
Other program expenses						13,312
Production expenses						62,199
TOTAL						825,206

Source: Statistics Canada, *Service Bulletin: Communications*, Catalogue no. 56-001-XPB.

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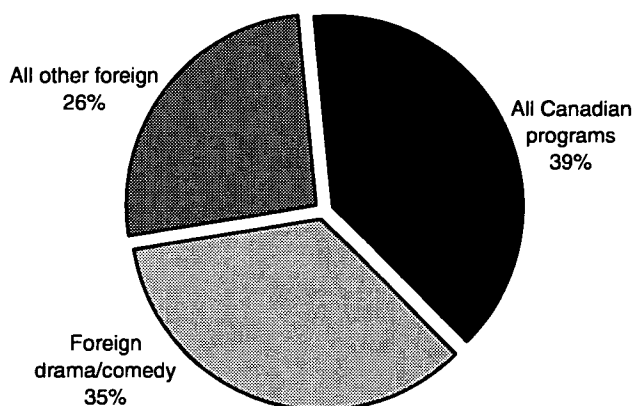
news and information (61%), with drama and comedy (12%) and human interest (9%) accounting for the next largest shares of expenditures. Of the money spent on non-Canadian programming, most (80%) was used to buy dramas and comedies from American networks or independent producers.

The decision to purchase dramas is understandable, since news and public affairs programs do not generate enough revenue to cover production costs, while dramas are money-makers. Buying foreign dramas is doubly tempting because they attract the biggest audiences: in 1995, Canadians spent almost as much time watching foreign comedy and drama (35% of viewing time) as they did watching *all* Canadian-produced programming combined (39%)⁵.

People spend more time doing other things

Although the new specialty services became direct competitors to broadcasting in the 1980s, not all the decline can be blamed on more specialized channels. VCRs, camcorders and computer games have transformed millions of television sets into multi-purpose home-entertainment centres. These competing leisure activities have eroded broadcasters' power to attract audiences for their shows. The number of hours Canadians of all ages watch television has declined quite steadily in the last decade; in 1995, they spent

Over one-third of Canadians' viewing time was spent watching foreign dramas and comedies



Source: Statistics Canada, Television Viewing Data Bank, 1995.

23.2 hours per week in front of the tube, down almost one hour from 1985. The decline was most prominent among young Canadian adults: men and women aged 18 to 24 watched much less television - down 3.4 and 3.8 hours per week, respectively - than they had a decade earlier. Young adult viewers are a highly desirable market and if they are not watching television, then advertising budgets will probably be spent elsewhere⁶.

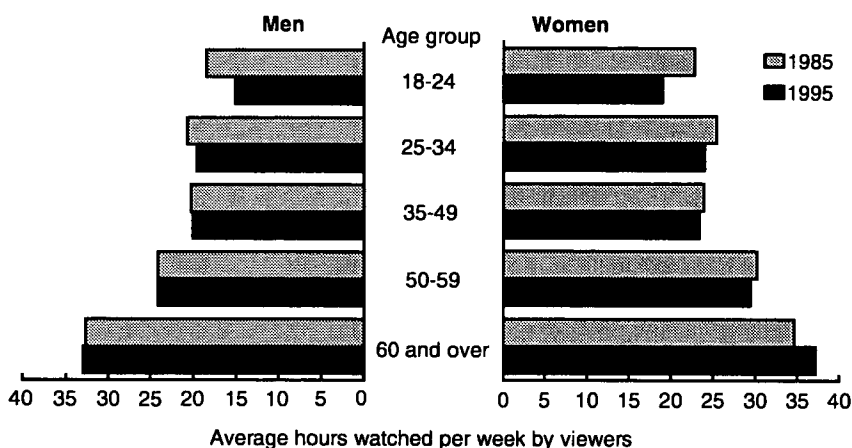
Data from the 1986 and 1992 General Social Surveys (GSS) on time use suggest that television is becoming less important as a leisure activity. In 1992, it was still the principal daily leisure activity for Canadians aged 15 and over - accounting for about 2.2 hours each day (including watching videos) - but people spent more time doing other things than they did in 1986⁷. On any given day of the week in 1992, 37% of Canadians over age 14 were engaged

⁵ Viewing data presented in this article are drawn from the Statistics Canada Television Viewing Data Bank. As part of this bank, basic data were acquired from a BBM Bureau of Measurement sample survey of Canadians aged two years and over. Information on their viewing during a specified seven-day period was collected by means of a diary-type questionnaire and was recorded in quarter-hour intervals. Data were collected during three separate weeks in November 1995. These data were then integrated with files from the CRTC on program characteristics, and combined with additional information from Statistics Canada on network affiliation and geographic location of each television station to produce the final file.

⁶ The greatest number of viewing hours are recorded by Canadians aged 60 and over - 33 hours per week for men and 37 hours for women in 1995 - but this age group is not a prime target for advertisers. This may change as the baby boom ages and demand rises for goods and services designed for older consumers.

⁷ The GSS estimate of average viewing time per day is calculated for all survey respondents, whether or not they actually watched TV. Therefore, the GSS daily estimate will not match the weekly viewing times published by the Statistics Canada Television Viewing Data Bank, which are calculated for viewers only.

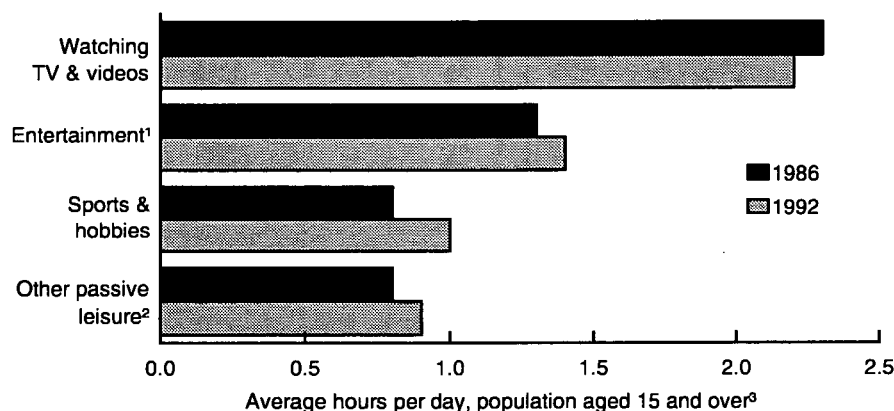
Viewing hours have declined most sharply among young men and women



Sources: Statistics Canada, *Television Viewing, 1985*, Catalogue no. 87-208-XPB; and *Television Viewing Data Bank, 1995*.

Continued p. 4

Canadians now spend less time watching television and more on other leisure activities



¹ Includes attending cultural/sports events, socializing.

² Includes reading, writing letters.

³ Average includes non-participants.

Source: Statistics Canada, General Social Survey, 1986 and 1992.

The rise of the VCR

Since the early 1980s, VCRs have flooded into Canadian homes. In 1984, only 13% of households had a VCR, but a decade later, 79% owned one. That VCRs are particularly popular among young people is shown in data about usage rates. According to the 1992 General Social Survey, over 90% of Canadians aged 15 to 24 had watched at least one movie on a VCR in the past year, while a much smaller proportion of older Canadians had done so - 63% of adults aged 45 to 59 and only 33% of those aged 60 and over.

On a typical day in 1992, 5% of Canadians over age 14 spent 2.5 hours watching movies on their VCRs. In contrast, 72% of Canadians spent 2.8 hours a day watching television. These statistics suggest that the time devoted to VCR movies would scarcely seem a threat to television. But the most avid consumers of video movies are among the most important markets for television advertisers: younger people and higher-income households.

Households maintained by someone under age 25 were keen renters of video movies (73% of young households), and they also spent the most money on videos, an average of about \$220 in 1992. Slightly older households (maintained by someone aged 25 to 34) were marginally more likely to be video-renters (77%), but they allocated considerably less money, only about \$150.

Video rentals are in greatest demand in high income households. About 81% of households in the top 20% income bracket (highest quintile) spent almost \$165 on video rentals. In contrast, only 25% of households in the lowest income quintile were video-renters, paying about \$100 in 1992.

in sports and hobbies (up from 29% in 1986), and 42% in "active leisure" such as attending a performing arts event or socializing with friends and family (up from 37%). This increasing participation in other activities is part of a growing trend.

Broadcast television faces continuing challenge

Canadian pay-TV and specialty services received \$352 million in fee payments from cable companies in 1994, but attracted only about 10% of the potential viewing audience (CRTC, 1994). By contrast, 78% of the potential audience watched conventional stations, yet most broadcasters received little if anything from the cable industry. Several years ago, the Canadian Association of Broadcasters proposed that cable operators pay broadcasters for the right to carry their signals. This idea may appeal to broadcasters, but cable subscribers, who would have to pay higher fees each month, might not be so enthusiastic. In the meantime, broadcasters are now allowed to air "infomercials" during the regular broadcast day, but this concession is unlikely to provide the infusion of funds needed to combat advertising revenues lost to competitors and dwindling audiences.

As the next century approaches, a new competitor is emerging: direct-to-home satellite broadcasting. This new technology will inevitably fragment the viewing audience still further and divert more advertising dollars away from broadcast television. Broadcasters wondering about the industry's future are responding to the challenge in different ways. Some are selling up and leaving broadcasting. Some have decided that if they cannot beat the competition, they will join it; in fact, broadcasters have an interest in 16 of the 23 new channel licenses granted by the CRTC in late 1996. Still other broadcasters are buying stations and consolidating operations to cut costs. The future impact of these changes is unclear, but they will be substantial.

Tom Gorman is an analyst with the Science and Technology Redesign Project at Statistics Canada, and **Susan Crompton** is an Editor with *Canadian Social Trends*, Statistics Canada.

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The Visual Arts and Artistic Design Labour Force in Canada

Pina La Novara, Special Projects, Culture Statistics Program

Visual arts and artistic design are common expressions of culture and, by definition, probably the most visible. The work produced by Canada's artists, craftspeople, designers and architects greatly enriches our lives aesthetically and contributes to our understanding, and that of others, concerning who we are as a nation and a people.

The Culture Statistics Program, in response to client demand, has decided to focus more attention on the visual arts and artistic design sector. The first phase of the project involves integrating data from a variety of Statistics Canada sources. This article, focusing exclusively on the labour force component, should be seen as a first step in the direction of improving overall statistical knowledge of the sector¹. One of the key difficulties in building a statistical database on this sector is the lack of a standard definition of the "visual arts and artistic design sector" in Canada. This article defines the sector in the broadest way possible and includes activities such as painting, sculpting and drawing which have traditionally been considered the visual arts, as well as crafts, photography, design and architecture. (See text box for the definitions of the occupations included in this article).

There were 120,700 individuals in the visual arts and artistic design labour force² in 1996, a 13% increase since 1990 (107,100). Even though there was substantial growth in this labour force, it still represented less than 1% of the total Canadian labour force in 1996. It should be noted that a limitation of the Labour Force Survey is that data are collected only on primary activity. As a result, individuals whose primary job is not in the visual arts and artistic design sector but who hold secondary or tertiary jobs in this area would not be included in the visual arts and artistic design labour force.

Many artists, craftspeople and designers work at more than one job as revealed by the Cultural Labour Force Survey³. Individuals whose primary job was arts or crafts held an average of 1.5 jobs per person in 1993, although not all secondary jobs were necessarily related to the visual arts and artistic

The 1980 Standard Occupation Classification is used by the Labour Force Survey to classify Canadians' occupations. The following are the definitions of the occupations included in the "visual arts and artistic design" sector as defined by the Culture Statistics Program:

- Visual arts (code 3311): occupations concerned with creating and executing works by sculpting, painting, drawing, engraving and etching. Activities include creating pictures, abstract designs and similar artistic compositions employing paints, pencils, pastels, ink or other media; creating three-dimensional decorative and representational forms by shaping materials such as wood, stone, clay or metal; drawing caricatures and creating cartoons to depict persons and events; and creating original designs and engraving or etching them on metal, wood or other materials for reproduction. The line between the arts and crafts is hazy and so it is impossible to clearly separate craftspeople from artists without being entirely arbitrary. One and the same individuals may create works of art, execute a special commission, and design for limited or extended production. As a result of these difficulties, artists and craftspeople are included in one category.
- Photographers (code 3315): occupations concerned with photographing people, events, scenes, materials and products with still, motion picture, television, microscopic, aerial photography and other specialized cameras. Activities include conceiving artistic and special effects, arranging and preparing subject matter and devising and setting up special photographic equipment.
- Product and Interior Designers (code 3313): occupations concerned with creating designs for industrial and commercial products by harmonizing aesthetic considerations with technical and other requirements; designing interior decoration; and planning furnishing of studios, homes, buildings and other establishments. Included are occupations concerned with designing and placing objects artistically in show windows and in similar exhibits and in designing sets for stage, motion picture and television productions.
- Advertising and Illustrating Designers (code 3314): occupations concerned with creating and executing illustrations and designs for books, magazines, posters, roadside billboards, television commercials and for other purposes related to advertising, illustration and the distribution of information.
- Architects (code 2141): occupations concerned with the design and construction of buildings and related structures including landscaping according to aesthetic and functional factors.

design sector or even to culture. Designers held an average of 1.7 jobs per person.

¹ The labour force figures discussed in this article differ from the ones published in the Culture Statistics Program's work on economic impact for two main reasons. Data in the economic impact studies include the manufacturing, wholesale, and retail components as well as the data from the specific visual arts and artistic design occupational codes, while this article focuses exclusively on the occupational codes identified in the text box. The second reason has to do with the definitions used. Economic impact studies use the data for individuals classified as "employed" while this article uses the labour force definition which includes both employed and those unemployed at the time of data collection but who had been employed in the visual arts and artistic design sector within the previous twelve months.

² Composed of members of the civilian non-institutionalized population 15 years of age and over who were employed or unemployed during the reference week.

³ The Cultural Labour Force Survey was conducted by the Culture Statistics Program on behalf of Human Resources Development Canada to gather information for the development of training and employment programs in the cultural sector.

The Labour Force Survey is a monthly survey of approximately 52,000 households across Canada. The sample used has been designed to represent all persons in the population 15 years of age and over residing in the provinces of Canada with the exceptions of the following: persons living on Indian reserves, full-time members of the armed forces and people living in institutions for more than six months. The data collected provide a rich and detailed picture of the Canadian labour market. Estimates of employment, unemployment and persons not in the labour force refer to the specific week covered by the survey each month, normally the week containing the 15th day. The data described in this article are the labour force annual averages.

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Number of Persons in the Visual Arts and Artistic Design Labour Force, Canada

	1990	1991	1992	1993	1994	1995	1996	Per cent change 1990-1996
Advertising & Illustrating Designers	36,300	30,800	30,000	30,000	31,900	35,700	46,000	26.7
Architects	13,200	11,300	10,100	14,200	15,400	12,100	11,000	-16.7
Artists & Craftspeople	11,100	12,500	9,800	14,200	11,400	14,400	13,000	17.1
Photographers	14,600	11,500	11,300	11,400	14,800	11,800	18,100	24.0
Product & Interior Designers	31,900	31,700	27,700	31,900	30,600	34,000	32,600	2.2
Total	107,100	97,800	88,900	101,700	104,100	108,000	120,700	12.7
Total Canadian Labour Force	14,329,000	14,408,000	14,482,000	14,663,000	14,832,000	14,928,000	15,145,000	5.7

Source: Labour Force Survey Annual Averages, Statistics Canada

A higher proportion of the visual arts and artistic design labour force were self-employed than in the total Canadian labour force. Overall, 39% of the visual arts and artistic design labour force were self-employed (unincorporated) in 1996 while half (51%) were employed as paid workers. As many as eight out of ten artists and craftspeople were self-employed while, in contrast, the majority of advertising and illustrating designers (56%) and product and interior designers (61%) were paid workers. Looking at the labour force as a whole for the same year, 11% were self-employed and 89% were paid workers.

Eight in ten of those working in the visual arts and artistic design sector worked full-time⁴ paralleling the proportion found for the total labour force (81%). Architects were the most likely to be employed full-time (90%) while product and interior designers were the least likely to be so (73%).

Four out of ten individuals (39%) involved in this sector lived in Ontario in

1996 while 27% lived in Québec, 15% in British Columbia, 13% in the Prairie provinces and 5% in the Atlantic provinces.

Forty-six per cent of the visual arts and artistic design labour force worked in business services⁵. Almost three in ten individuals (27%) worked in one of a group of service industries which includes accommodation, food and beverage services, health and social services, government services, finance and insurance services and amusement and recreational services, while 9% worked in retail trade.

Demographic profile

Advertising and illustrating designers - at 36 years of age - were, on average, the youngest of the visual arts and artistic design occupational group in 1996, followed by photographers (age 38), product and interior designers (39), architects (43) and artists and craftspeople (44).

People in this sector are, on the whole, highly educated. Proportionately more

individuals in the visual arts and artistic design labour force have post-secondary education than in the total Canadian labour force. Seven out of ten individuals in these cultural occupations had completed post-secondary education. In comparison, five in ten individuals (48%) in the total labour force had completed a post-secondary education. Architects were by far the most likely to have a university degree (78%) while product and interior designers and advertising and illustrating designers were the most likely in the sector to have a post-secondary diploma (46% each).

⁴ Defined in the Labour Force Survey as working 30 hours or more per week.

⁵ These establishments are primarily engaged in providing services more to the business community than to the general public. Included in this group are employment agencies and personnel suppliers, computer services, accounting and bookkeeping, advertising, architectural and other scientific services, lawyer and notary services, management consulting and other business services.

Highest Level of Educational Attainment, Canada, 1996

Level of Educational Attainment	Visual Arts & Artistic Design Labour Force	Total Labour Force
	%	%
Elementary-secondary	21	42
Some postsecondary	9	10
Post-secondary diploma or certificate	42	31
University degree	28	17
Total	100	100

Source: Labour Force Survey, Statistics Canada

Continued p. 7

Overall, men and women were fairly evenly distributed in the visual arts and artistic design labour force in 1996 (53% and 47% respectively). This closely mirrored the gender distribution of the total labour force (55% men and 45% women). The gender distribution in the visual arts and artistic design labour force has undergone significant change since 1986 when a larger proportion (60%) of this sector were men. The greatest change in the sex distribution occurred in advertising and illustrating design; between 1986 and 1996 the proportion of women increased 8 percentage points (from 36% to 44%).

Summary

Compared to the total Canadian labour force, individuals in the visual arts and artistic design labour force are more likely to be highly educated and self-employed. It is important to note, however, that the subgroups that are included in this labour force have distinct characteristics. For example, architects are the most likely group to have obtained university degrees and are also the most likely to be employed full-time. Product and interior designers, on the other hand, are the most likely to have obtained a postsecondary diploma or certificate as their highest level of educational attainment and are the least likely to be employed full-time.

Because this is an ongoing research project comments on the definitions of the visual arts and artistic design labour force would be most welcome as would be reports and other documents relating to this sector. Interested parties should contact Pina La Novara, Culture Statistics Program, at 613-951-1573 or fax 613-951-9040 or E-mail at Lanopin@statcan.ca. □

Culture on the Go

Lisa Shipley, Culture Statistics Program

Canada is a very attractive tourist destination for foreign travellers and Canadians themselves are active tourists in their own country. Tourism has many faces, one of which is the cultural component and includes attendance at festivals, theatres, museums, historic sites, and other related activities. Cultural activities and

events stimulate tourism both within and from outside Canada. In turn, travel agendas which include cultural activities and events make an important economic contribution to the Canadian culture sector.

Over 34 million person-trips¹ made for business or pleasure in Canada in 1994 included participation in a cultural activity or event. This represents 19% or one in five of all person-trips made that year. Canadian travellers made over 24 million person-trips which included participation in at least one cultural activity, Americans over seven million², and other international travellers 2.6 million such person-trips (refer to Table 1).

Canadian travellers have lowest participation rates in cultural activities

Canadian travellers clearly dominate cultural tourism in Canada. In fact, in 1994, 71% of all person-trips which included cultural activities and events were made by Canadians. However, as a proportion of all person-trips taken by Canadians, only 15% included cultural activities and events in their travel agenda. A contributing factor to this low participation rate is the fact that in 1994, Canadian travellers were more likely to be travelling for business reasons (50%) than were foreign travellers (35% of person-trips). Travelling for business purposes limits the time available to participate in cultural activities and events. It should be noted that even when not travelling, the domestic population also attends cultural activities and events in local communities. Participation from a tourism perspective alone, therefore, is not a complete reflection of the overall Canadian participation rate in cultural activities and events.

While American travellers showed a strong interest in Canadian cultural activities and events (52% of all US person-trips), other international travellers were the most likely of all to participate in cultural activities while travelling in Canada (68% of all trips). Recognizing the increasingly significant role that cultural activities and events are playing in Canadian tourism, the Canadian Tourism Commission, the Heritage Tourism Secretariat (Department of Canadian Heritage), and provincial tourism ministries are currently engaged in developing promotional programs for this aspect of tourist activity abroad as well as at home.

Travellers who included cultural events in their travel agendas injected close to \$10 billion into the Canadian economy in 1994. Almost 10% (\$900 million) of these expenditures were on recreation and entertainment directly, the category which includes cultural activities and events. Canadian travellers contributed \$454 million to the total expenditures on recreation and entertainment, while American and other international travellers contributed \$259 million and \$188 million respectively.

Canadian travellers

Of the 24 million person-trips taken by Canadians in 1994 which included cultural activities, four in ten (or 10 million) included at least one visit to a national or provincial park (refer to Table 2). Canadians clearly wish to take advantage of the varied and picturesque geography that their country offers and of the activities found in these locations. Most other types of cultural activities and events were included in at least 4.5 million person-trips each, while Aboriginal/Native cultural events were included in almost 1 million person-trips (a number which is likely related to the relative frequency of events of this kind).

Canadian travellers who included cultural activities as part of their travel agenda tended to stay within or near their home province; 80% of these person-trips were made in the home province and an additional 13% to a neighbouring province. This is comparable to the proportion of total person-trips which took place in the home province by all Canadian travellers (88%), regardless of the nature of activities included in the travel agenda. Given that interprovincial tourism may include great distances which increase travel costs and time, it is not surprising that the majority of Canadian travellers stay fairly close to

¹ Statistics Canada gathers tourism data through the Canadian Travel Survey, the Government Travel Survey of United States Visitors to Canada, and the Government Travel Survey of Visitors to Canada. These surveys identify travellers in terms of person-trips. For example, one person may make five trips in a year which would represent five person-trips, or five different people could make one trip each in a year, which would also represent five person-trips. The Canadian Travel Survey counts person-trips as being at least 80 km or longer, one way.

² This excludes same-day U.S. person-trips made by automobile (approximately 20 million person-trips). The survey questionnaire for these travellers does not ask about participation in cultural activities.

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Table 1

Number of Person-trips and Expenditures for Culturally Active Travellers in Canada, 1994¹

		All travellers	Canadian travellers	American travellers	Other international travellers
Total person-trips	('000s)	177,030	159,046	14,192²	3,792
Number of person-trips which included cultural activities	('000s)	34,397	24,418	7,386²	2,593
Spending inside Canada, (for all person-trips)	(\$millions)	24,538	16,705	4,474	3,359
Spending inside Canada, (for person-trips including cultural activities)	(\$millions)	9,524	4,431	2,593	2,500
Type of expenditure	(\$millions)				
Accommodation		2,128	861	777	490
Transportation (inside Canada)		1,992	1,430	265	297
Food and beverage		2,079	1,153	533	393
Recreation and entertainment		901	454	259	188
Other		1,277	532	314	431
Expenditures not itemized		1,146	0	445	701

¹ The Canadian Travel Survey underwent sampling and methodological changes in 1994. Data from previous years are not comparable to data for 1994 and later.

² This excludes same-day U.S. person-trips made by automobile (approximately 20 million person-trips). The survey questionnaire for these travellers does not ask about participation in cultural activities.

Note: Totals may not add due to rounding.

Source: Statistics Canada, Canadian Travel Survey, 1994; Government Travel Survey of United States Visitors to Canada, 1994; and Government Travel Survey of Visitors to Canada, 1994.

home. It should be noted, however, that exposure to the variety of cultural activities and events offered throughout Canada is not necessarily limited by the regional nature of domestic travel. Touring activities by performing arts groups, art exhibits, and presentations at festivals and fairs, for example, add to the variety of cultural experiences available within local communities.

U.S. and other international travellers

Geographic proximity also appears to be an important factor in travel to Canada by culturally active American travellers. These travellers were most frequently residents in states on the border with Canada or two states away. The large number of person-trips made by residents of California and Florida are obvious exceptions. On the other hand, other international travellers who were culturally active while in Canada came from countries which have language or other cultural attachments to large population groups in Canada. Residents of France, Germany and the United Kingdom accounted for almost three-quarters (72%) of the person-trips made by culturally active Europeans and 43% of those made by all culturally-active non-American travellers to Canada.

Table 2

Participation in Cultural Activities by Canadian Travellers, 1994

	person-trips ('000s)
Person-trip included	
Attendance at-	
Festival or fair	6,593
Cultural event (plays, concerts, etc.)	4,819
Aboriginal/Native cultural event	936
Visit(s) to-	
Museum or art gallery	5,466
Zoo or natural exhibit	4,503
National or provincial park	10,012
Historic site	5,720

¹ This is a multiple response item. Travellers may have participated in more than one cultural activity per person-trip (one visit to a national park and one visit to a museum, which counts once in each category), and/or may have participated in one category more than once on a single person-trip (for example visited both a museum and an art gallery on the same trip, which counts once in that category). It is not possible to derive a total for actual number of activities participated in by these travellers.

Source: Statistics Canada, Canadian Travel Survey, 1994

Foreign visitors also expressed great interest in Canada's beautiful geography. Almost two-thirds (65%) of the trips taken by foreign visitors to Canada included at least one visit to a national or provincial park (refer to Table 3). Visits to museums, zoos and other heritage institutions were included in almost 5 million person-trips. Attendance at festivals, fairs, plays,

concerts and other cultural activities was also popular. Almost 30% of person-trips taken by foreign visitors included attendance at a cultural event, and 14% included attendance at festivals and/or fairs.

Ontario, British Columbia, Quebec and Alberta drew the largest number of visits from culturally active foreign

Continued p. 9

visitors to Canada. There were at least twice as many visits made by culturally interested travellers to each of these four provinces than were made to other individual provinces or territories.

Tourists drawn by cultural activities and events

Cultural activities and events play an important role in both the economic and social aspects of tourism in Canada, not only for Canadians but also for travellers from other countries. There is evidence of a strong association between arts and heritage activities at a given

location and the likelihood of its selection as a tourist destination³. It is in the best interests of the tourism industry, therefore, to actively promote the cultural components of their destinations when seeking to attract travellers.

³ Refer to "The Cultural Tourist - Friend or Foe?" in *Focus on Culture*, Vol 6, No. 4, Winter 1994.

Table 3

Participation in Cultural Activities by American and Other International Travellers, 1994

	Total travellers	American travellers	Other international travellers
person-trips ('000s)			
Person-trip included			
Attendance at -			
Festival or fair	1,430	1,004	426
Cultural event (plays, concerts, etc.)	2,864	2,332	532
Visit(s) to -			
Museum, zoo or natural exhibit	4,615	3,036	1,579
National or provincial park	6,463	4,479	1,984

¹ This is a multiple response item. Travellers may have participated in more than one cultural activity per person-trip (one visit to a national park and one visit to a museum, which counts once in each category), and/or may have participated in one category more than once on a single person-trip (for example visited both a museum and a zoo on the same trip, which counts once in that category). It is not possible to derive a total for actual number of activities participated in by these travellers.

Source: Statistics Canada, Government Travel Survey of United States Visitors to Canada, 1994; and Government Travel Survey of Visitors to Canada, 1994.

Federal Cultural Spending Over the Last Ten Years

Norman Verma, Manager, Surveys of Government Expenditures on Culture

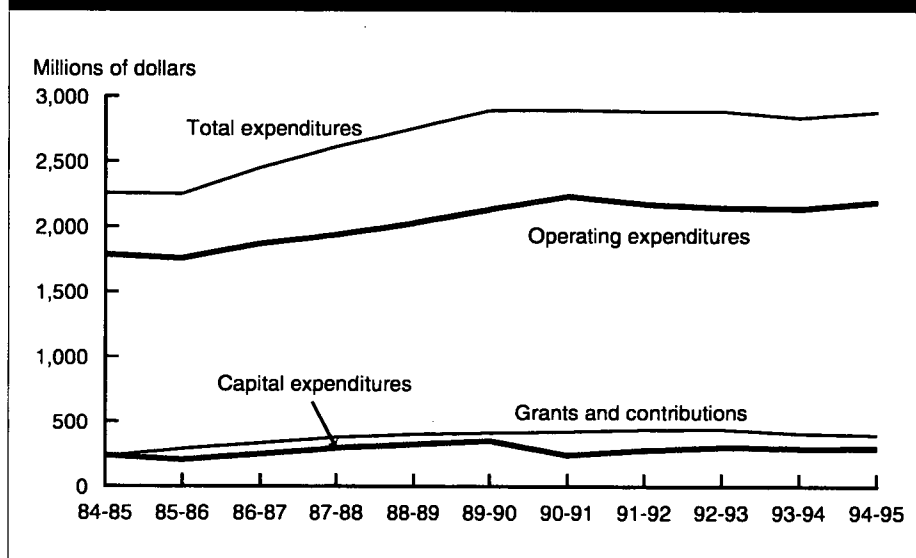
The federal government has played an important role in supporting the arts and culture in Canada, particularly since our Centennial in 1967. Although federal support continues to be evident in every field of arts and culture, the cultural community has experienced the effects of budgetary restraint especially since the beginning of this decade. After showing a declining rate of growth in spending in the latter half of the previous decade, federal cultural expenditures actually dropped in 1991-92 and further declined in each of the next two years before showing an increase in 1994-95.

Fluctuations in ten-year spending patterns

In 1994-95, the federal government spent a total of \$2.88 billion on culture, an increase of 27% from ten years earlier (refer to Figure). In the intervening years, federal cultural spending fluctuated considerably. After remaining almost flat between 1984-85 and 1985-86 expenditures grew (although at a

Figure 1

Federal Government Expenditures on Culture, by Type of Expenditure, 1984-85 to 1994-95



declining rate) between 1986-87 and 1990-91, dropping to a level of growth of only 0.1% in 1990-91 (compared to a growth of 9% in 1986-87). Outlays dropped in the next three years in a row. While federal cultural expenditures

were up 1.6% in 1994-95, it was mainly because of the increased costs associated with the downsizing of federal cultural departments and agencies, including staff severance packages.

Continued p. 10

Note to readers

Included in these data are the gross expenditures made by federal government departments and agencies. In some cases actual spending by these departments and agencies may exceed the amount received through Parliamentary appropriations. For example, the Canadian Broadcasting Corporation's actual spending is partly financed through advertising revenue.

All types of cultural spending grew

All types of cultural spending - operating expenditures, capital expenditures, and grants and contributions - grew in the ten years between 1984-85 and 1994-95, with grants and contributions showing the largest rate of growth of the three areas (refer to Table 1).

Operating expenditures, the largest category of support, includes costs incurred in running federal cultural departments and agencies such as the Department of Canadian Heritage, Foreign Affairs and International Trade, the Canadian Broadcasting Corporation, the National Film Board and the National Arts Centre Corporation. Over the decade, these expenditures averaged about three-quarters of the total federal cultural budget. Operating expenditures grew at an annual average rate of about 5% in the five years following 1985-86. In each of the next three years these expenditures fell, resulting in a drop of 4.4% between 1990-91 and 1993-94. This slide was halted in 1994-95 when operating expenditures increased by 2.5% from the preceding year. The jump was largely the result of increased spending

on broadcasting, most of which was attributable to downsizing costs.

Outlays on capital projects, while averaging about 10% of the federal cultural budget, fluctuated considerably over the ten year period. Capital spending continued to grow in the late 1980's, showing an increase of 46% between 1984-85 and 1989-90. Since then, there have been considerable fluctuations in capital spending: expenditures fell 31% in 1990-91, but rose again by 25% over the course of the next two years. New projects such as the construction of the Canadian Museum of Civilization and the National Gallery of Canada, as well as capital funding for broadcasting, were largely responsible for these fluctuations. Capital spending fell again at an annual average rate of 1.3% between 1992-93 and 1994-95.

Over the 1984-85 to 1994-95 period, grants and contributions to artists and cultural organizations averaged 14% of the federal cultural budget. Although still a relatively small category of spending, it grew 90% between 1984-85 and 1992-93. After this eight-year increase, grants and contributions dropped 7% in 1993-94 and declined by a further 3% in 1994-95.

Spending most on cultural industries

The principal beneficiaries of federal cultural spending were the cultural industries (which include broadcasting, film and video, book and periodical publishing, and sound recording), followed by heritage (which includes museums, archives, historic sites, nature parks and other heritage activities), and finally the arts (which includes arts

education, the performing arts, and visual arts and crafts). Refer to Table 2.

Between 1984-85 and 1994-95, spending on the cultural industries averaged about two-thirds of the total federal cultural budget. Broadcasting, the major cultural industry beneficiary, accounted for three-quarters of the federal spending on these industries. After having dropped by about 2% in 1985-86 (because of a reduction in spending on broadcasting), outlays on the cultural industries continued to increase through the 1980's, reaching \$1.96 billion in 1990-91 (an increase of 28% from 1985-86). Spending on these industries fluctuated from year to year over the next four years, reaching the highest level ever, in 1994-95, at \$1.99 billion. The 1994-95 level was the result of increased downsizing costs associated with broadcasting.

After a small drop in 1985-86, spending on heritage grew over the next five years, increasing 39% between 1985-86 and 1990-91. This was followed by a drop in each of the next four years, reaching \$622 million in 1994-95, down 4% from 1990-91.

The 8% drop in federal spending on the arts in 1990-91 halted spending growth of the previous five years. Spending on the arts rose 55% between 1984-85 and 1989-90. After showing a growth of 9.5% in spending on this field in 1991-92, federal outlays dropped in each of the next three years, down 6% in 1994-95 from the previous year.

Uneven provincial distribution

Although the cultural community in all provinces and territories has benefited

Table 1**Federal Government Expenditures on Culture, by Type of Expenditure, 1984-85 to 1994-95**

Year	Operating expenditures	Capital expenditures	Grants and contributions	Total expenditures
millions of dollars				
1984-85	1,785.1	239.5	231.3	2,255.9
1985-86	1,754.4	205.3	288.7	2,248.4
1986-87	1,868.9	249.7	332.3	2,450.9
1987-88	1,936.1	295.7	377.0	2,608.8
1988-89	2,027.3	322.0	400.5	2,749.8
1989-90	2,129.9	349.4	411.6	2,890.9
1990-91	2,231.2	242.3	419.3	2,892.7
1991-92	2,170.7	279.1	434.3	2,884.0
1992-93	2,141.3	302.8	438.5	2,882.6
1993-94	2,133.5	291.2	406.5	2,831.2
1994-95	2,186.0	295.0	394.0	2,875.0

Continued p. 11

Table 2

Federal Government Expenditures on Culture, by Major Cultural Sector, 1984-85 to 1994-95

Year	Cultural industries	Heritage	Arts	Total ¹
millions of dollars				
1984-85	1,561.1	469.6	90.2	2,255.9
1985-86	1,524.6	465.8	101.4	2,248.4
1986-87	1,619.7	543.3	107.0	2,450.9
1987-88	1,726.5	594.1	111.1	2,608.8
1988-89	1,844.5	631.3	124.2	2,749.7
1989-90	1,967.1	644.8	140.0	2,890.9
1990-91	1,955.4	647.8	129.1	2,892.7
1991-92	1,953.7	641.5	141.3	2,884.0
1992-93	1,967.9	629.1	133.9	2,882.6
1993-94	1,926.5	624.6	132.2	2,831.2
1994-95	1,985.6	622.2	123.9	2,875.0

¹ Includes also libraries, multiculturalism and multidisciplinary activities.

from federal support, there have been considerable differences in the federal spending patterns, both in actual amounts and calculated on a per capita basis (refer to Table 3). In 1994-95 the spread was wide, ranging from a spending low of \$13.3 million in the Yukon to a high of \$1,176.6 million in Ontario, followed by Quebec (\$842.2 million). The concentration of spending in Ontario and Quebec reflects the location there of federal cultural departments and agencies, as well as major cultural production facilities and related infrastructure.

The provinces receiving the largest federal expenditures did not have the highest per capita expenditures. In

1994-95 the federal government spent, for example, the least amount of money in the Yukon, but it ranked second in per capita spending, while Ontario, with the largest federal expenditure, ranked fifth in levels of per capita spending.

Differences in provincial/territorial priorities

Throughout the decade, federal government spending on the various cultural sectors has differed across the provinces and territories. In 1994-95, for example, four dollars in five of the total federal spending on culture in New Brunswick was allocated to the cultural industries, while only about two in five were so designated in Alberta.

Similarly, for heritage activities and institutions, fully 58% of the federal cultural budget in the Yukon in 1994-95 was devoted to this area, whereas the proportion was the smallest in Quebec (at 15% of Quebec's cultural allocation), followed by New Brunswick (16%).

Spending on the arts also varied. In Prince Edward Island, in 1994-95, 8% of federal cultural spending was directed to the arts, a higher proportion than in any other province or territory; at the other end of the scale were the Northwest Territories, at 0.1%.

Table 3

Federal government cultural expenditures in 1994-95 largest for Ontario while per capita spending highest in the areas with the smallest populations

Province or territory	Total expenditures	Per capita expenditures
	millions of dollars	dollars
Newfoundland	52.1	89
Prince Edward Island	18.9	140
Nova Scotia	81.3	87
New Brunswick	68.3	90
Quebec	842.2	116
Ontario	1,176.6	108
Manitoba	76.6	68
Saskatchewan	49.6	49
Alberta	159.8	59
British Columbia	146.6	40
Yukon	13.3	443
Northwest Territories	44.4	690
Total¹	2,875.0	98

¹ Includes also national organizations, foreign countries and unallocated expenditures.

□

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Mary Cromie
Editor, *Focus on Culture*
Culture Statistics Program
R.H. Coats Building, 17 D
Statistics Canada
Ottawa, ON K1A 0T6

(613) 951-6864 (telephone) or
(613) 951-9040 (fax) or crommar@statcan.ca



For information on special data tabulations or the content of specific surveys, please contact any of the following:

Paul McPhie	Assistant Director, Culture	951-9038
-------------	-----------------------------	----------

Culture Surveys

John Gordon	Acting Chief	951-1565
David Coish	Book Publishing	951-3028
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