

OVERVIEW



The Program aims to encourage private sector investment, partnership, and sound business practices to help arts and heritage organizations.

The program had 3 components:

ENDOWMENT INCENTIVES \$18.5M TO \$20M / YEAR

Provides matching funds to arts organizations, of up to one dollar for every dollar raised from private donors, to contribute to endowments.

STRATEGIC INITIATIVES \$3M TO \$4M / YEAR

Helped arts and heritage organizations improve their business practices, and diversify revenues through partnerships.

Following the 2023 Refocusing Government Spending exercise, this component was eliminated.

LIMITED SUPPORT TO ENDANGERED ARTS ORGANIZATIONS UNFUNDED

Meant to support professional organizations facing closure with viable business and restructuring plans. No funding allocated during the evaluation period.

FINDINGS

Relevance



The Arts sector plays a vital role in Canadian society and the economy.

The Program addresses important and distinctive needs of arts sector organizations by fostering sustainability and partnerships, while increasing capacity and financial health.

The Endowment Incentives component is unique at the federal level in providing financial incentives which leverage private funding for arts organizations.

However, high funding demands outweigh available resources.



Average requested amounts per year over the evaluation period

\$31.6M

Total funding approved per year

\$19.6M

The Limited Support for Endangered Arts Organizations went unused during the 6-year evaluation period, despite rising bankruptcies in the sector.

Bankruptcies in the arts, entertainment, and recreation sector increased from 2018 to 2023

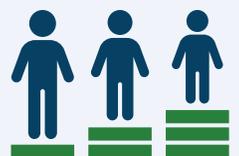
52 2018  **114** 2023

The program was particularly critical during the pandemic, but post-pandemic trends are threatening the stability of arts organizations:

- Decreased attendance
- Rising costs
- Declining donations
- Labour issues



There are opportunities to further improve equitable access to funding, particularly for smaller organizations, equity groups, and Indigenous communities.



Effectiveness



Overall, the Program has achieved its expected outcomes. It contributed to Canadians appreciating and investing in arts organizations.

While Canadians donating to arts organizations declined over the period*...



...donations to Program recipients increased by **\$2.4M** from 2018-19 to 2023-24.

*Arts and Heritage Access and Availability Survey of 2020-2021

76% of all organizations funded during the period had created an endowment since 2001

\$189M leveraged from private sector donations

\$117.5M provided in total matching grants

\$239M income generated by endowment funds and distributed to arts organizations



Gaps in data hindered reporting on results

The Strategic Initiatives component enabled arts organizations to:

- develop partnerships
- create and share resources to improve business practices



Efficiency



The Program was delivered efficiently overall:

- ✓ low administrative ratios
- ✓ positive client experiences
- ✓ met most service standards



The Endowment Incentives component's unique funding model of matching private donations stands out as strategic to support sector sustainability.

It supports self-sufficiency and resilience particularly in times of crisis and financial instability.



Larger arts organizations receive most Endowment Incentive funding. Smaller organizations and equity groups face increased barriers.

RECOMMENDATIONS

The evaluation offers 3 recommendations to the Senior Assistant Deputy Minister, Cultural Affairs.

1

Investigate further options to enhance supports for the arts sector, particularly for smaller arts organizations, including those representing Indigenous peoples and equity groups.

2

Improve data collection tools and methods to strengthen performance measurement, reporting, and decision making by further disaggregating data (particularly for equity groups and Indigenous communities).

3

Explore the usefulness of the Limited Support for Endangered Arts Organizations component to better address the needs and gaps in the arts sector.