



Executive Summary



Arts Profile Lethbridge 2014



“A community without a strong, vibrant arts component is narrow, inward-looking and limited in expression and growth. A community needs to be holistic in that it must be well-rounded: strong and supportive in all areas that enrich our lives and experiences, including education, sports and the arts.”

“I work with a provincial arts organization and there is much envy in Calgary and Edmonton about living in Lethbridge. We are perceived as cultural leaders as the struggles of those who live here are invisible to outsiders.”

“The arts are a priceless and invaluable aspect of society and one that should be protected, cherished and nourished.”

“Arts education enhances one’s understanding of the world and provides a greater perspective on the existing programs, elements of the community and of traditional education. **The arts give us the creativity to express ourselves, while challenging our intellect.** The arts provide outlets and experiences for students and the community to learn about life and the world around them and are integral in the development of the whole person and in the development of the community as a whole.”

Arts Profile Lethbridge

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“The value of arts to this community (or in fact to any community) is staggering. There is no area of life that is not impacted in some way by the arts. The financial impact is seen in the tourist trade, the purchase of art, by those that attend any type of performance and is continual and of considerable weight. **What we leave our children by way of inheritance is seen most extensively by the arts we share with them.**”

Message from the Allied Arts Council

The Board of Directors of the Allied Arts Council have believed for years that artists and arts organizations contribute not only to the quality of life in Lethbridge, but also to our local economy and beyond.

Our intuition tells us we have a strong, diverse arts community contributing real dollars to our local economy. As the City of Lethbridge continues to grow, we felt it would be beneficial to have an accurate snapshot of the arts community. A decision was made in 2012 to embark on a project to gather information and data about the artists and arts organizations of Lethbridge and their beneficial impact.

We are thrilled with the results of this economic impact study and are delighted to see just how much our arts community contributes to our economy. This economic impact study will be an asset as we continue to advocate the importance and positive impact of the arts to the residents in our community.

Thank you to Shilpa Stocker (Westwinds Management Solutions Alberta Inc.) and the Alberta Foundation for the Arts for their significant work and contributions to this report.

We also extend a sincere thank you to the hundreds of artists and arts organizations that helped contribute to this study and who help make Lethbridge a great place to live.

Board of Directors, Allied Arts Council
of Lethbridge

Message from the Alberta Foundation for the Arts

The Alberta Foundation for the Arts congratulates the Allied Arts Council of Lethbridge on the release of *Arts Profile Lethbridge*. This regional profile of the arts is unique in Alberta and is a sound model for other communities interested in documenting the contributions of artists, arts organizations, and entrepreneurs involved in the creative industries make to the local economy.

As the province's primary arts funder, the Alberta Foundation for the Arts was pleased to collaborate with the Allied Arts Council of Lethbridge on *Arts Profile Lethbridge* in Lethbridge. The Alberta Foundation for the Arts was able to provide data about arts organizations in Lethbridge to complement the data gathered by the Allied Arts Council. The Alberta Foundation for the Arts also provided mentoring so that the Allied Arts Council could use research methods and economic impact modeling similar to those used in the Foundation's 2012 publication *Arts Impact Alberta: Ripple Effects from the Arts Sector* and in the AFA's *Arts Impact 2014* publication.

The arts have immense value in Alberta's communities because of their contributions to quality of life for Albertans; the economic impact of the arts is a story told less often. *Arts Profile Lethbridge* is an important first step in documenting the important economic contributions of artists, arts organizations and arts-based businesses to the local economy.

Alberta Foundation for the Arts

Message about quotes: The quotes appearing throughout this report were collected from artists and arts organizations as part of the study.

BACKGROUND

Cultural spending is growing on a national and provincial level

In 2008, consumers spent \$27.4 billion on cultural goods and services in Canada, representing \$841 for every resident. This level of spending was three times larger than on hotels, motels and other travel accommodations. The level of spending was also three times larger than the \$9.2 billion spent on culture by all levels of government in 2007/2008. Canadians' spending on live performing arts (\$1.4 billion) is more than double their spending on live sports events (\$650 million). After adjusting for inflation, cultural spending increased by 28% between 1997 and 2009, double the growth in the Canadian population. Between 1997 and 2008, consumer spending on art works and events grew by 59%: more than any other category of cultural spending¹. Clearly, the arts and culture sector made a significant contribution to the Canadian economy.

Cultural spending per capita varies significantly between the provinces and is highest in Alberta (\$963 per capita). Albertans spent \$3.3 billion in cultural goods and services in 2008, or 2.8% of total consumer spending in the province. Interestingly, the \$3.3 billion in consumer spending on culture is more than four times larger than the \$810 million spent on culture in Alberta by all levels of government in 2007/2008. Alberta had the highest growth in consumer spending between 1997 and 2008, both on cultural goods and services (40%) and on all goods and services (69%), after adjusting for inflation².



It is not just spending on the arts that is significant. The Americans for the Arts conducted a study, *Arts & Economic Prosperity III* (2007), into the economic impact of non-profit arts and culture organizations and their audiences. A key lesson learned from this study was that communities that invest in the arts reap additional benefits of jobs, economic growth and a higher quality of life.

“Arts are very vital because they **promote vibrancy** in a community which gives people an identity and a place to belong. Without the arts, daily life in the city would be mundane and uninspiring. It is very important to contribute, participate and promote the arts in a community.”

¹ Consumer Spending On Culture In Canada, The Provinces And 12 Metropolitan Areas In 2008, Statistical Insights On The Arts, Vol. 9 No. 2 February 2011 – Hill Strategies Research

² Consumer Spending On Culture In Canada, The Provinces And 12 Metropolitan Areas In 2008, Statistical Insights On The Arts, Vol. 9 No. 2 February 2011 – Hill Strategies Research

OBJECTIVES & METHODOLOGIES

The Allied Arts Council of Lethbridge (AAC) envisions a vibrant arts community that enriches Lethbridge. To that end, the AAC provides leadership in advancing and enhancing the arts in Lethbridge. The AAC's key objectives in the areas of advocacy and communications relate directly to its desire to develop a profile of the arts in Lethbridge.

In an effort to increase awareness of the arts, the AAC gathered information/data which:

- proves Lethbridge has a local talent pool,
- proves the arts generate stable employment, and
- demonstrates the significant impact that the arts have within the city.

Promoting the value, importance and impact of the arts

The arts sector fosters a desirable community and contributes to a vibrant quality of life. *Arts Profile Lethbridge* will serve as a tool for advocating the arts and will enable the AAC to promote the value, importance and impact of the arts to residents, City of Lethbridge Administration and Council and provincial and federal governments.

Three separate facets were studied to develop a complete profile of the arts in Lethbridge:

- A snapshot of artists and arts organizations in the city.
- An analysis of the types of artists and arts organizations and their activities.
- The economic impact of arts activity in the city.

AAC Survey

A survey was developed and distributed in order to gather the information required for the study. The objectives of the survey were to identify artists and arts organizations in Lethbridge for inclusion into mapping efforts; to gather information about individual artists, for-profit arts businesses and not-for-profit arts organizations in Lethbridge; to collect information pertaining to economic activity by individual artists, for-profit arts businesses and not-for-profit arts organizations in Lethbridge that could be utilized in the economic impact study; and to draw together respondents' opinion on the value of the arts to themselves and our community.

Note on Study Data

- In addition to the study survey, the Alberta Foundation for the Arts (AFA) provided data for organizations who receive AFA funding.
- The University of Lethbridge is a significant player in the arts sector but data from that post-secondary institution was not included in this report³. The Input-Output multipliers used rely on the industrial definitions developed by Statistics Canada which specifically used in this report excludes universities.
- While the expenditures to pleasure or leisure purchases are important in identifying the economic impact of the arts sector, the AAC is initially interested in the "ripple effects" of the existence of the artists and arts organizations in the community. That is, the AAC wants to show the multiplier effect of the growing arts community in Lethbridge.

³ The total payroll for the University of Lethbridge Faculty of Fine Arts is \$9.1million. Total ticketed and nonticketed patrons who attended U of L Fine Arts Drama and Music events in 2013 was 17,042 for 140 events.

Input-Output Model

The IO model built and maintained by Alberta Treasury Board and Finance is based on the North American Industry Classification System (NAICS) codes used by Statistics Canada and is designed to measure the economic impact of a particular activity, in a particular sector, on the provincial economy.

The IO model was not designed to estimate economic effects at a sub-provincial level. The economic consultants⁴ have regionalized the model results based on information and data collected from and provided by:

- The administrative records of the AFA (providing aggregate information for those organizations funded by the AFA);
- The survey of individual artists and arts organizations in the City of Lethbridge;
- Interviews with key arts organizations in the City of Lethbridge (a dollar “ripples” very differently through each community, which is why the IO model is regionalized for Lethbridge) and
- Statistics Canada.

Definition: IO Model

The IO Model allows economists to measure how many times a dollar is spent in or “ripples” through a community before it leaks out.

The information collected for this study represents much, but by no means all, arts sector activity in the City of Lethbridge. It is based on the people that responded to the survey and the data provided by the AFA. Stores that sell artistic supplies and educational institutions that teach fine arts were asked to complete the survey, however, these organizations are technically classified as being in the retail and education sectors by Statistics Canada (input-output multipliers used rely on the industrial definitions developed by Statistics Canada) and were therefore excluded from the analysis. Care was taken to ensure no duplication of records or respondents between all the data compiled from the various sources.



Arts and culture organizations are unique: they induce large amounts of related spending

When reviewing the results associated with the economic impact of the arts in Lethbridge, two points must be considered: the uniqueness of the arts and culture industry in terms of economic impact; and the hesitation in using a multiplier. A multiplier does not do justice to the economic impact of the arts. The multiplier is developed by making a gross estimate of the industry within the local economy and does not allow for differences in the characteristics of the art disciplines. Therefore, a multiplier lacks reliability since it is an underestimation of the economic impact. For example, when a family attends a performing arts event, they may purchase dinner at a restaurant, or eat dessert after the show. Also, they may have paid a babysitter to look after younger children. All of these expenditures have a positive and measurable impact on the economy.

⁴ The Economic Consultants used for the “Arts Impact Alberta: Ripple Effects from the Arts Sector” were Nichols Applied Management. The results pertaining to economic impact in this study have been provided by Nichols Applied Management.

“The arts are valuable to the existence of a **creative and balanced community**.
For me - life would not be the same if I could not create. It's a **passion** a reason to exist!”

COMMUNITY MAPPING

THE LETHBRIDGE ARTS COMMUNITY

A total of 414 artists/arts organizations/ artist services organizations were mapped in the survey. After reducing duplication and including AFA data, 270 respondents' information was utilized to create the profile of the arts community. 48% or 129 of the respondents were members of the Allied Arts Council. Out of the total 270 respondents, 253 are based in the City of Lethbridge. The remainder of the analysis will focus on these respondents (n=253).

Figure 1 identifies, by discipline, the distribution of artists and arts organizations in our community, as collected by the surveys. Figure 2 identifies the distribution of the legal status of respondents.

AAC Survey Respondents only

FIGURE 1: ARTISTS AND ORGANIZATIONS BY DISCIPLINE

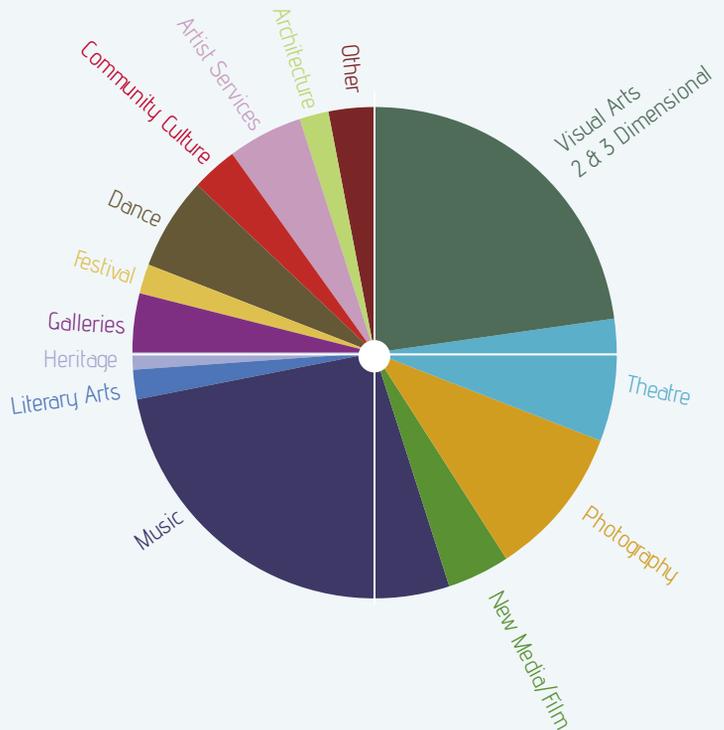
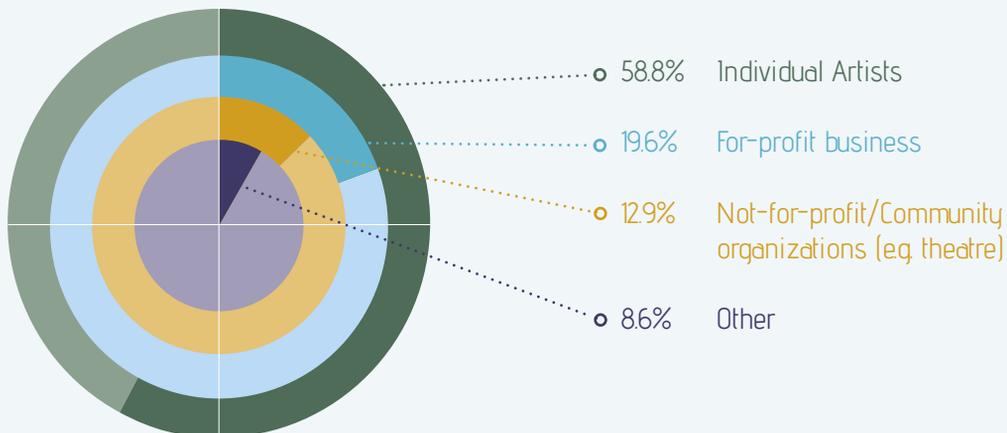


FIGURE 2 : LEGAL STATUS



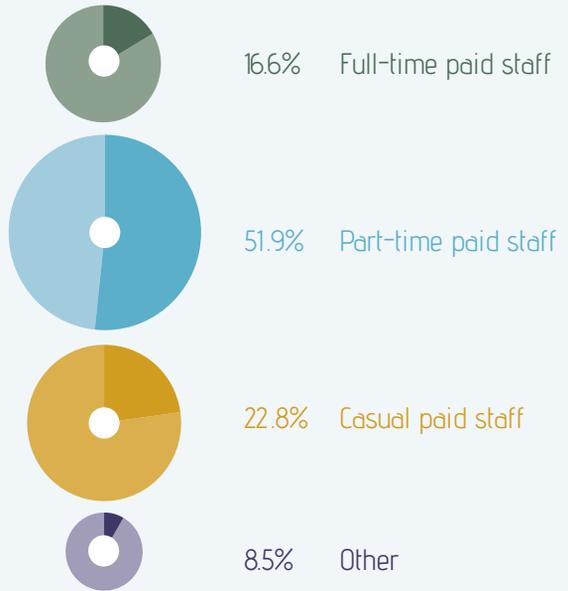
EMPLOYMENT

Paid Employment Resulting from the Arts

According to those responding to the AAC survey, a total of 420 people were employed as artists or by arts organizations in 2012. Out of this, 20% were full-time employed; 34.5% were part-time employed; 33% were employed casually; and 12.3% employed through other means (e.g. contract).

When AAC & AFA data are combined, in total 608 individuals were employed: 16.6% full-time, 51.9% part-time, 22.9% casual and 8.6% other (Figure 3). The 608 individuals employed in the arts sector roughly equates to about 300 FTE positions.

FIGURE 3: PAID EMPLOYEMENT RESULTING FROM THE ARTS

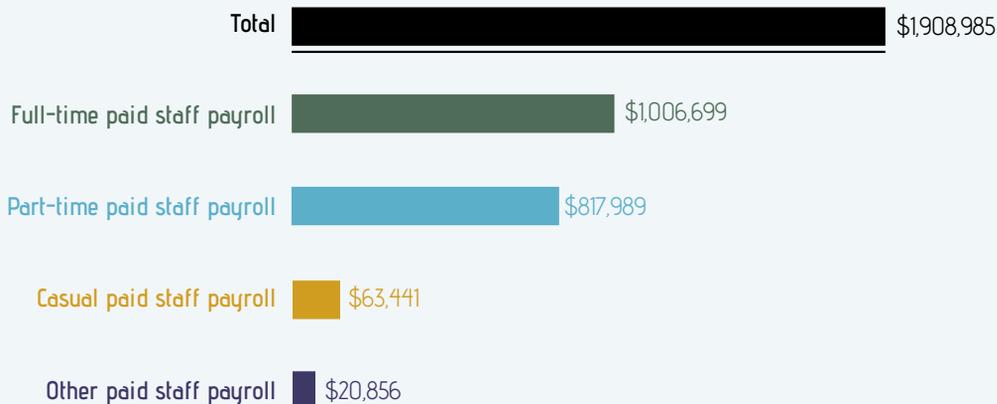


Value of Payroll resulting from Arts Organizations

The 420 paid individuals in the arts sector that were reported through the survey account for payroll worth \$1.9 million (Figure 4).

AAC Survey Respondents only

FIGURE 4: VALUE OF PAYROLL RESULTING FROM ARTS ORGANIZATIONS





“Expression, creation and collaboration make communities strong, progressive and tightly bonded. Without art, a community will slowly break apart, and it’s understanding and acceptance of each other’s differences and opinions will diminish.”

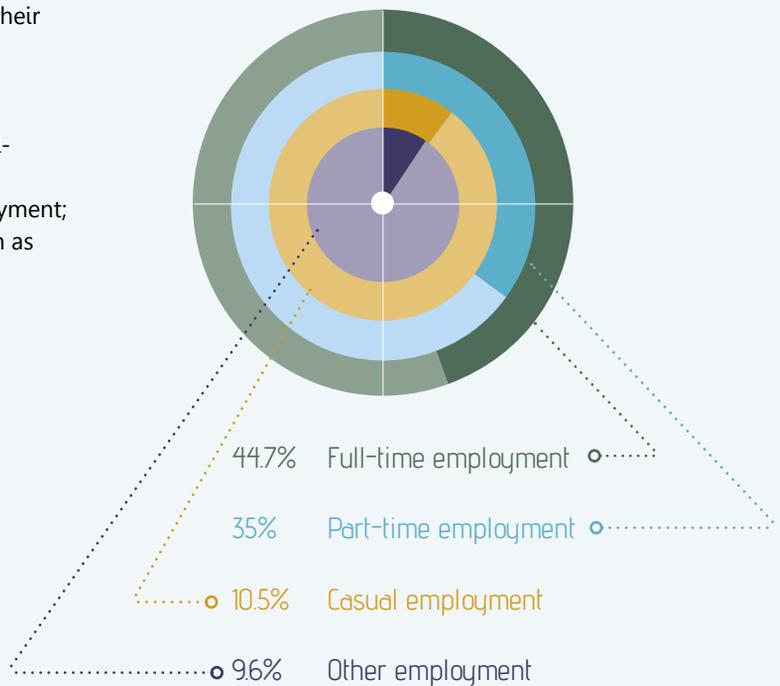
Supplementing Arts Income

Artists often rely on more than just income earned from their artistic endeavours. Of the 149 artists, 114 or 76.5%, supplement their arts income through other means.

44.7% of the individual artists that supplement their income do it with full-time employment; 35% with part-time employment; 10.5% with casual employment; and 9.6% with other types of work such as contract work, as shown in Figure 5.

AAC Survey Respondents only

FIGURE 5: INDIVIDUAL ARTISTS SUPPLEMENTING INCOME



Definition: Full Time Equivalent (FTE)

FTE accounts for a manager’s discretion to hire one full-time employee versus two part-time employees versus four quarter-time employees. The FTE in Arts Profile Lethbridge is calculated using 1,800 work hours per year for full-time, 900 work hours per year for part-time and 360 work hours per year for casual work.⁵

⁵ Nichols Applied Management

HOW WE OPERATE

Revenues

Reporting artists and arts organizations were responsible for \$8,194,937 worth of revenues. Of this, \$7,966,317 were earned revenues. The remainder were from government grants, individual support, foundation support, corporate support and other revenues (Figure 6).

AAC Survey Respondents Only

NOTE: These figures are based on what was reported by survey respondents.

Note: The AFA reports that it provided the 16 not-for-profit organizations \$520,157 in funding support. AFA data is not included in Figure 6. If the AFA funding was included the total Foundation Support is just under \$550,000.

The AFA reported that the 16 organizations who received funding accounted for total revenues of \$4,312,362. Therefore, a total of \$12,462,299 in total revenues were accounted for by the 269 arts individuals and organizations that reported through the AAC Survey and the AFA.

Expenses

Total expenditures by the artists and arts organizations in 2012 was \$5,522,799. Roughly 20% of these expenditures went towards payroll (Figure 7).

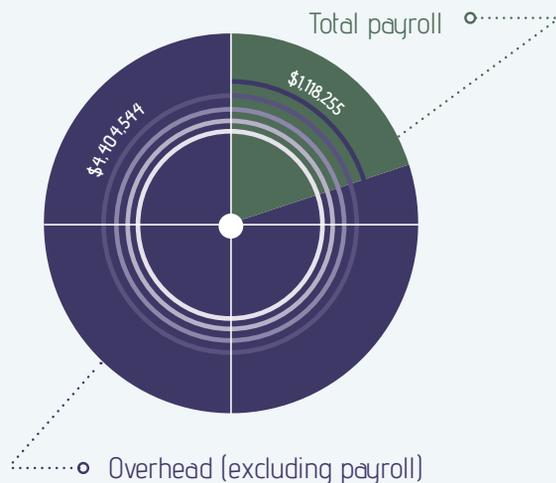
NOTE: AAC Survey Respondents only. These figures are based on what was reported by survey respondents. Not all survey respondents provided expenditure data.

Information collected by the AAC survey and AFA reports total revenues at just over \$12 million with total expenditures just under \$10 million. This demonstrates a healthy, vital, sustainable arts sector in our community.

FIGURE 6: REVENUES OTHER THAN EARNED (2012)



FIGURE 7: ORGANIZATION EXPENDITURES (2012)



“Arts identify, reflect, and unify the ideals and aspirations of a community.”

IN-KIND

Non-Cash Inputs or In-Kind

In-kind contributions are non-cash inputs which can be given a cash value. It is essentially the value of goods and services that benefit an organization or a project. AAC Survey respondents were asked to provide information about the total annual in-kind contributions they or their organizations received. In 2013, this totaled \$103,901.

VOLUNTEERING

Giving Time to Arts Organizations

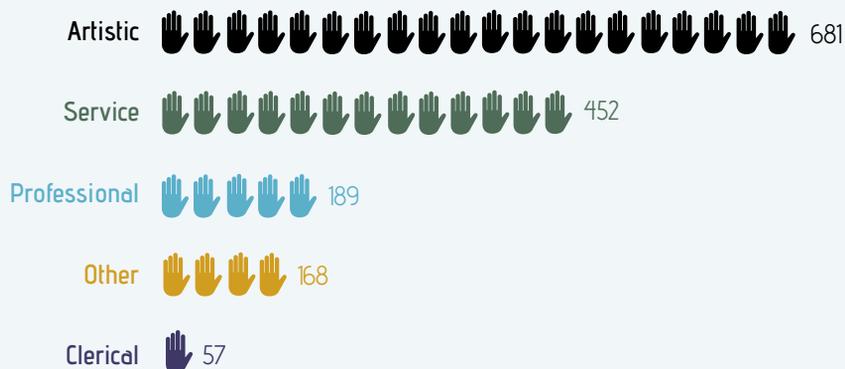
The arts sector benefits from volunteers. Numerous motivations can inspire volunteer activities, however all volunteerism benefits the community through skill building and social connections. AAC Survey responding arts organizations enjoyed donations of volunteer time during 2012 from 1,547 volunteers (Figure 8).

AAC survey respondents only

Volunteers play many roles in arts organizations:

- in the Artistic category they assist as artists, choreographers, designers, etc.;
- in the Service category they take pressure off the ticket taking, gift shop, etc.
- in the Professional category they help in the areas of executive and program staff, board members, etc.;
- in the Clerical category they serve as administrative support staff.

FIGURE 8: NUMBER OF VOLUNTEERS WHO DONATED TIME TO ARTS ORGANIZATIONS IN 2012



Volunteer Hours Contributed to Arts Organizations

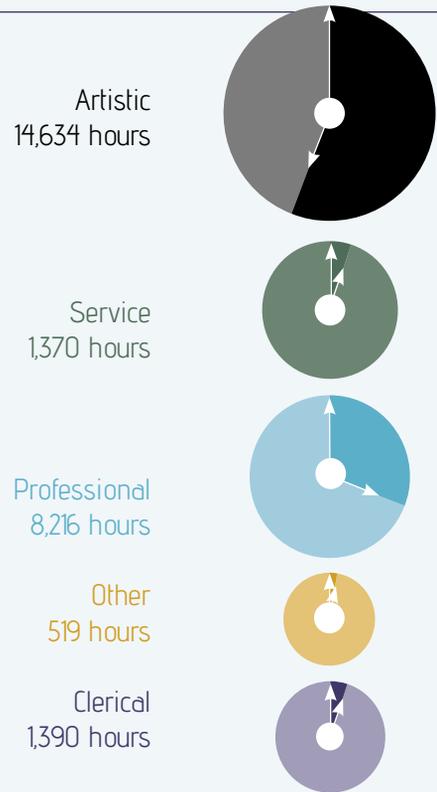
Volunteers contributed 26,129 hours to arts organizations (Figure 9).

AAC Survey Respondents only

Including AAC survey and AFA data, a total of 2,217 volunteers donated time to arts organizations for 64,216 hours.

Volunteerism creates economic benefits for the community. On average, each volunteer donated roughly 29 hours of their time and abilities to the arts organization of their choice. Collectively, they donated work equivalent to 36 FTE positions. While these arts volunteers may not have an economic impact as defined by this study, they clearly have an enormous impact on their communities by helping arts and culture organizations function as a viable industry.

FIGURE 9: VOLUNTEER HOURS CONTRIBUTED TO ARTS ORGANIZATIONS

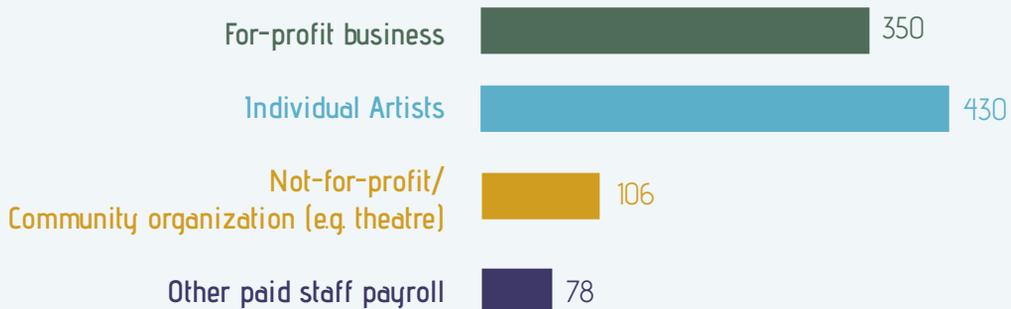


ACTIVITIES

Including AAC and AFA data, a total of 1,500 events were initiated by artists and arts organizations, with a total paid audience of 343,972 (Figure 10).

AAC Survey Respondents only

FIGURE 10: EVENTS INITIATED BY THE ARTS COMMUNITY



ECONOMIC IMPACT OF THE ARTS

This portion of the study focuses on the value of the Lethbridge arts sector in strictly economic terms including:

- Total economic activity;
- Value-added economic activity; and
- Employment.

Total Economic Activity

All sectors of the economy are interconnected insofar as they purchase goods and services from each other. An analysis conducted using the published IO multipliers and intensity ratios indicates that the total gross output⁶ of the arts sector originating in the City of Lethbridge is roughly \$20 million, broken down as follows:

- The participants in the arts sector, such as orchestras, theatre companies and art galleries, receive income from paying patrons, various levels of government and from fundraising activities. They spend this income to stage events, which means that they spend their income on payments for artists, wages and salaries for artistic and administrative support personnel, and goods and services needed to present events. This is the direct output of the sector, and is estimated to be \$10 million in 2010/11⁷.
- A portion of the expenditures by the sector accrues to suppliers of goods and services, who in turn, use part of this income to purchase inputs that they require in order to provide their product or service to the arts sector. This is the indirect output, estimated at roughly \$4 million.
- The workers who receive wages paid by the arts sector and its suppliers use it to buy goods and services in the general economy. This is the induced output of the arts sector, estimated at \$6 million.

At \$20 million, the total economic activity associated with the sector is roughly twice that of the sector expenditure by itself.

“Art will always be an integral part of any community, culture, or nation. From hieroglyphics on stone to angels on chapel ceilings, **our art has always defined us.** The value that we place on our art is the value that we place on a piece of ourselves.”

⁶ Output was estimated using AFA administrative data and survey data collected by the AAC. These data represent most, but not all, activity in the arts sector.

⁷ 2010/11 data was used in order to allow for comparisons to be drawn between this analysis and the analysis carried out for the AFA in early 2012, which also relied on 2010/11 administrative data.

Impact on the Lethbridge Economy

Not all of the economic activity generated by the arts sector in Lethbridge is captured locally. For example, if a Lethbridge-based carpenter is commissioned by a Lethbridge-based theatre company to construct a set, she may purchase some of her materials locally and some may be purchased from outside the city. Adjusting for the leakage of economic activity outside of the City of Lethbridge, the total output of the arts sector that originates in, and remains in, the local economy is roughly \$10 million broken down as follows (Table 1).

TABLE 1: OUTPUT OF THE LETHBRIDGE ARTS SECTOR

Economic Effect	City of Lethbridge	Elsewhere in Alberta	Total Alberta
In Millions			
Direct	\$7.5	\$2.5	\$10.0
Indirect	\$0.5	\$3.5	\$4.0
Induced	\$2.0	\$4.0	\$6.0
TOTAL	\$10	\$10	\$20

Definitions:

Direct Output: The actual expenditures made by the establishments operating in the sector.

Indirect Output: Measures the economic activity of the industries supplying goods and services to the sector.

Induced Output: The expenditures by the workers whose wages are paid by the arts sector and its suppliers.





Value Added Activity

Not all of the output described above is net to the provincial or local Lethbridge economy. Measuring economic activity on the basis of gross output results in some double counting. For example, a theatre company may hire a carpentry contractor to build part of a set. The wages portion of the carpentry contract will be counted twice when estimating gross economic output: first as a direct expenditure of the sector and a second time as wages paid from the contractor to the actual employee or sub trade doing the work. In reality, the wages are paid only once by the contractor and billed to the theatre company. The IO model allows for an estimate of the interconnectedness of the sector after taking into account this double counting. Also, not all of the economic activity originating in the City of Lethbridge is captured locally.

“In a confusing and hectic, fast-paced, economic driven world, the arts provide a safe and positive medium for expression, release and building community. It is so important to recognize the significance of what this does for our society. With regards to the music scene, imagine driving your vehicle and not having any songs to listen to..the arts enhance our lives!”

TABLE 2: VALUE ADDED BY THE LETHBRIDGE ARTS SECTOR

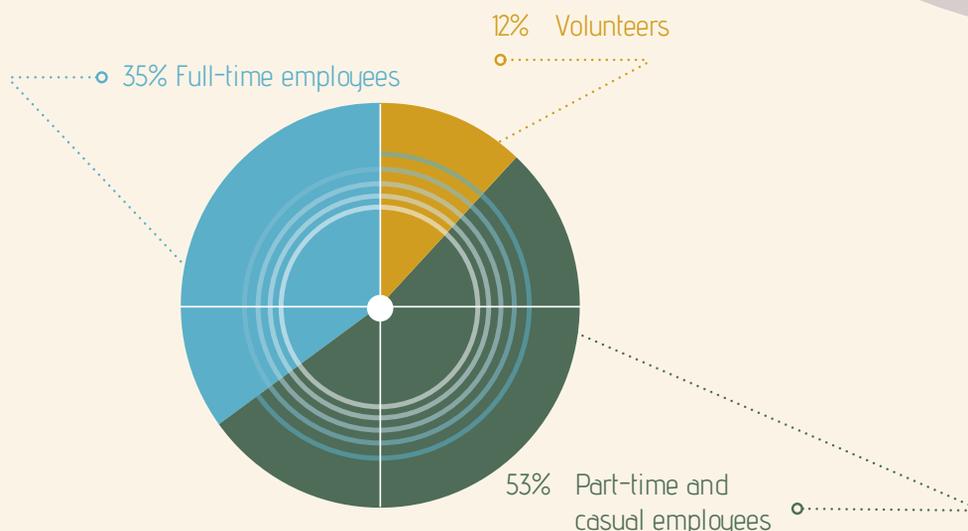
Economic Effect	City of Lethbridge	Elsewhere in Alberta	Total Alberta
In Millions			
Direct	\$4.5	\$15	\$6.0
Indirect	\$0.5	\$15	\$20
Induced	\$10	\$25	\$35
TOTAL	\$6.0	\$5.5	\$11.5

Employment

Data provided by the AFA and the AAC suggests that the sector employs an estimated 560 people (not including contract workers). The total labour employed in the arts sector in Lethbridge is estimated at roughly 300 full-time equivalent⁸ jobs.

Considerable work in the arts sector is done by volunteers. Indeed, many arts organizations are highly dependent on volunteer labour. Overall, the AFA and AAC data indicate that volunteers put in the equivalent of an approximately 36 full-time jobs. The relative contributions of the volunteers, full-time employees, and part-time and casual employees can be seen in Figure 11 below.

FIGURE 11: RELATIVE CONTRIBUTION OF WORKED HOURS



“The arts are difficult to justify in terms of income, and invaluable in terms of benefits. They provide **intellectual and creative growth**, worthwhile endeavours for children and adults, and make a more interesting community to live in--which in turn helps the economy.”

⁸ Full-time equivalency was estimated on the basis of a 1,800 hr work year. Part time workers were assumed to work 900 hrs/year and casual workers were assumed to work 360 hrs/year. Nichols Applied Management

The arts sector is small in terms of overall employment. The approximately 560 people who have full-time, part-time or casual jobs in the sector account for roughly 1% of the labour force in the City of Lethbridge⁹. However, as with Gross Output and Value Added production, the sector's direct employment is associated with the employment amongst suppliers (indirect jobs) and in the economy at large as the directly and indirectly affected workers spend part of their income on general goods and services.

The total direct, indirect and induced employment in the Lethbridge arts sector accounts for 290, 50 and 60 full-time equivalent jobs respectively. The total employment (expressed as full-time equivalent jobs) resulting from the arts sector in the City of Lethbridge is summarized in Table 3.

“The arts are invaluable to our community. They create community, foster creativity and self-expression, and are provocative, fun, and beautiful. The arts are entertainment for some and a way of making a living for others. Those that pursue the arts often do so out of passion and necessity. The arts are part of the community's heartbeat.”

TABLE 3: EMPLOYMENT RELATED TO THE LETHBRIDGE ARTS SECTOR

Employment (paid jobs)	City of Lethbridge	Elsewhere in Alberta	Total Alberta
Full-time equivalent jobs			
Direct	260	30	290
Indirect	10	40	50
Induced	20	40	60
TOTAL	290	110	400*

* May not add to 400 due to rounding

CONCLUSION

The *Arts Profile Lethbridge* study is only a beginning. The study provides important baseline information for measuring the current impact of the arts on the economy in Lethbridge. It is the intention of the AAC to revisit the project in the next five years in order to continue to measure and understand the anticipated growth of the arts community and the resulting positive economic impact the arts have on our community.



For a complete copy of the *Arts Profile Lethbridge* report contact the Allied Arts Council at 403.320.0555 or www.artslethbridge.org under the Publications tab

⁹ Nichols Applied Management

“A healthy and vibrant community requires a healthy and vibrant arts capacity.”

“Arts are very important to any community. They are a means by which people can grow; they allow an outlet through which people can express themselves; and they are a great teacher and soother of souls”

“Sina Qua non- Latin Without that there is nothing. Without arts there is no connection, we would not thrive in our communities. The arts are vital to the lives of every human being”

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