

Creative Enterprise - Resources Task Force

Survey of Resources in the Arts, Culture, Heritage Sector - Region of Waterloo



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Introduction

The Resources Task Force of the Prosperity Council’s Creative Enterprise Initiative has undertaken a survey of resources that support the Arts, Culture and Heritage (ACH) sector in the Region of Waterloo. Resources have been examined from two perspectives: the funders of cultural initiatives, and the larger ACH organizations in the region. Funders include Federal and Provincial governments and their granting arms (Canada Council for Arts, Ontario Arts Council and Trillium Foundation), Municipal governments (including Regional and Area Municipal), and Foundations (including community and private). For ACH organizations, a list of about 50 museums, galleries, theatres, organizations and events with significant operating budgets was generated by Task Force members.

Separate surveys were developed for funders and organizations. They were delivered electronically, with personal follow-up by Task Force members. The surveys were conducted in February/March of 2009. Financial data generally reflects 2007 (either calendar or fiscal year). While the focus of the survey was on financial resources, information on human resources, corporate sponsorship, and in-kind donations was also requested.

Responses

From an initial list of 22 potential public sector and community funders of ACH organizations, 18 responses were received.

Funder Group	Includes	Responses
Senior Governments	-Federal, Provincial culture departments -Canada Council for the Arts -Ontario Arts Council -Trillium Foundation	5 - The Federal and Provincial culture departments, responded but did not provide data, as their funding programs are dependent on current government initiatives
Municipal Governments	-Region of Waterloo -Area Municipalities	6 - (No data was provided by 2 of the smaller municipalities)
Foundations /Funds	-Community Foundations -Private Foundations -Waterloo Region Heritage Foundation and Waterloo Region Arts Fund	9 - (although fully funded by Region, WRHF and WRAF are included here as they operate independently)

From an initial list of 46 ACH organizations, 27 (59%) were able to respond within the limited time period. They have been broadly grouped into three sectors.

Organization Group	Includes	Responses
Museums, Galleries	-larger publicly supported museums and galleries	7
Performing Arts	-orchestras, choral, acting, artists collectives, etc	17
Festivals, Events	-limited number as only a few with larger budgets were included in the survey	3

Funding of ACH Sector by Government and Community Foundations/Funds

The Funders survey results show that almost \$14 million in direct funding flows annually to arts, culture and heritage organizations in the Waterloo Region from governments and community foundations/funds. An additional \$8.6 million flows to Libraries and Archives. As the Library and Archive funding is large relative to the rest of the ACH organizations, it has not been included in the following analysis.

While it is difficult to capture an annual amount of one time or capital funding, in order to compare it with annual operating funding, the survey results indicate that in a typical year, one time funding may account for 27% (\$3.7 million) of total funding. Operating funding (\$10. million) appears to be almost evenly split between 'on-going' (that is, no application is required) and 'grants' (which must be applied for each year, and are subject to change). The largest share of on-going funding flows to Museums and Theatres. Performing Arts and Theatres receive more than \$3 million from these funders, but almost all of it comes from annual grants.

	Operating -grants	Operating - Ongoing	One-Time or Capital Grant
Museums	\$255,226	\$2,222,723	\$986,500
Galleries	\$666,889	\$453,900	\$397,075
Theatres/other venues	\$1,858,711	\$32,050	\$555,600
Performing Arts (Symphony, etc)	\$1,585,505	\$71,910	\$332,603
Festivals/events	\$390,037	\$855,390	\$321,050
Community Arts Initiatives	\$409,255	\$800,000	\$120,824
Heritage property conservation	\$10,000	\$35,016	\$128,661
Public art installation & maintenance		\$53,700	\$636,248
Granting organization (3rd party)	\$8,417	\$126,500	
Administration			\$20,000
Other	\$62,085	\$175,823	\$162,757
Total	\$5,246,125	\$4,827,012	\$3,661,318
	38%	35%	27%

As shown Figures 1 and 2, municipalities provide about 60% of capital/one time funding and about 78% of operating funding. Senior governments also contribute significantly to operating funding (21%). Community foundations/funds put most of their ACH funding into capital/one time initiatives.

Figure 1

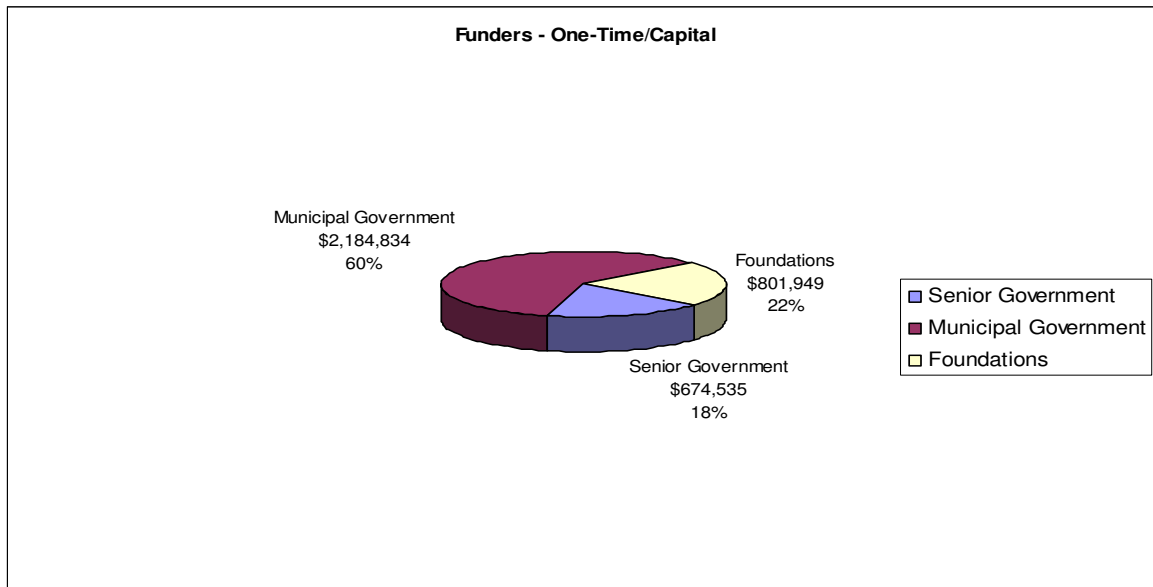
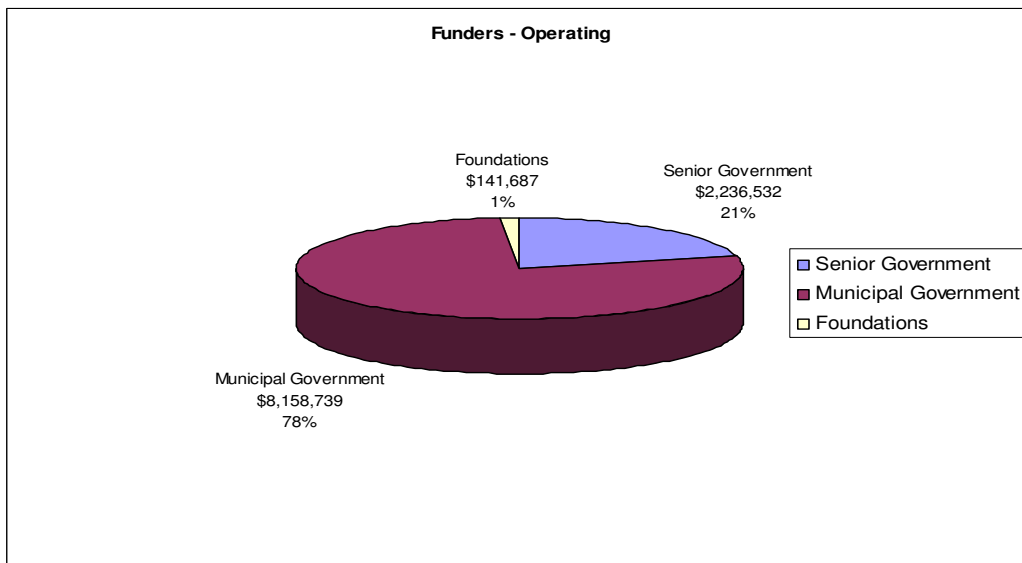


Figure 2



The total reported operating funding in 2007 amounts to \$19.25 per capita for the regional population of 523,400.

Figure 3 shows, the reported Operating Funding (on-going and grants combined) by type of recipient and funder group.

Figure 3

Operating Funding (\$)				
	Senior Government	Municipal Government	Foundations	Total
Museums	\$15,000	\$2,462,949		\$2,477,949
Galleries	\$215,500	\$879,429	\$25,860	\$1,120,789
Theatres/other venues	\$441,400	\$1,409,311	\$40,050	\$1,890,761
Performing Arts (Symphony, etc)	\$1,046,850	\$499,009	\$111,556	\$1,657,415
Festivals/events	\$170,510	\$1,072,522	\$2,395	\$1,245,427
Community Arts Initiatives	\$252,487	\$944,768	\$12,000	\$1,209,255
Heritage property conservation		\$35,016	\$10,000	\$45,016
Public art installation & maintenance		\$53,700		\$53,700
Granting organization (3rd party grant)		\$134,917		\$134,917
Other	\$94,785	\$76,238	\$66,885	\$237,908
Total	\$2,236,532	\$7,567,859	\$268,746	\$10,073,137

Figure 4 shows the share each recipient sector receives from the three funder groups. Senior government funding is primarily directed to Performing Arts groups (46.8%) and Theatres (19.7%). Community Foundation funding is also primarily directed to Performing Arts (41.5%) and Theatres (14.9%) Municipal government funding largely supports Museums (32.5%) and Theaters (18.6%). Galleries receive a similar share of resources from each funder group (9.6% - 11.6%).

Figure 4

Operating Funding - by Recipient Groups %				
	Senior Government	Municipal Government	Foundations	Total
Museums	0.7%	32.5%	0.0%	24.6%
Galleries	9.6%	11.6%	9.6%	11.1%
Theatres/other venues	19.7%	18.6%	14.9%	18.8%
Performing Arts (Symphony, etc)	46.8%	6.6%	41.5%	16.5%
Festivals/events	7.6%	14.2%	0.9%	12.4%
Community Arts Initiatives	11.3%	12.5%	4.5%	12.0%
Heritage property conservation	0.0%	0.5%	3.7%	0.4%
Public art installation & maintenance	0.0%	0.7%	0.0%	0.5%
Granting organization (3rd party grant)	0.0%	1.8%	0.0%	1.3%
Other	4.2%	1.0%	24.9%	2.4%
Total	100.0%	100.0%	100.0%	100.0%

Looking at the distribution by funder group in Figure 5, Municipalities contribute 75% or more of the available funding to each recipient group other than Performing Arts. For that group, Senior government funding accounts for 63.2%, and Municipalities 30.1%.

Figure 5

Operating Funding - by Funder Groups %

	Senior Government	Municipal Government	Foundations	Total
Museums	0.6%	99.4%	0.0%	100.0%
Galleries	19.2%	78.5%	2.3%	100.0%
Theatres/other venues	23.3%	74.5%	2.1%	100.0%
Performing Arts (Symphony, etc)	63.2%	30.1%	6.7%	100.0%
Festivals/events	13.7%	86.1%	0.2%	100.0%
Community Arts Initiatives	20.9%	78.1%	1.0%	100.0%
Heritage property conservation	0.0%	77.8%	22.2%	100.0%
Public art installation & maintenance	0.0%	100.0%	0.0%	100.0%
Granting organization (3rd party grant)	0.0%	100.0%	0.0%	100.0%
Other	39.8%	32.0%	28.1%	100.0%

Reported Funding by ACH Organizations

The 27 responding ACH Organizations have combined operating expenses of almost \$20 million. They also reported capital expenditures in 2007 of about \$ 2.5 million.

The breakdown of respondents by operating budget is shown below.

Operating Budget	Responses
> \$1 million	5
\$500,000-\$999,999	2
\$100,000-\$499,999	11
\$50,000 - \$99,999	5
\$20,000 - \$49,999	4

Ten organizations reported having accumulated debt. The total amount of debt is \$2.3 million, which is 13.5% of the annual operating budgets for these organizations.

As shown in Figure 6, earned revenue from admissions, memberships and other sources accounts for over half of the annual operating funding for these organizations. Municipalities provide about 25% of the funding. Due

to differences in timing or definitions, some funding sources (for example, Trillium Foundation funding) may not have been reported by the ACH Organizations in the same way as the Funders reported them.

Figure 6

Funding Sources as reported by ACH organizations

Funding Sources	Operating \$	% of total	One-Time/ Capital \$	% of total
Federal government/ Canada Council	\$751,008	3.87%	\$371,479	14.46%
Provincial Government	\$711,362	3.66%	\$13,000	0.51%
Trillium Foundation	\$27,990	0.14%	\$180,230	7.01%
Regional Government	\$2,541,288	13.08%	\$481,720	18.75%
Area Municipal Government	\$2,269,307	11.68%	\$404,675	15.75%
Foundations	\$329,484	1.70%	\$435,273	16.94%
Endowments	\$121,722	0.63%	\$15,000	0.58%
Corporate donations / sponsorship	\$821,966	4.23%	\$2,000	0.08%
Other donations	\$1,511,378	7.78%	\$179,933	7.00%
Tickets/admission/gate receipts/memberships	\$7,560,597	38.92%	\$237,640	9.25%
Other earned revenue (concessions, merchandise, fees for service, etc.)	\$2,777,507	14.30%	\$248,438	9.67%
Total	\$19,423,609	100.00%	\$2,569,388	100.00%

A more accurate picture of funding sources is achieved by grouping the organizations into categories, as shown in Figure 7. For comparison with other information sources, the following three categories have been used: Museums and Galleries; Performing Arts; and Festivals. A sub-set of the Museums and Galleries group is

shown in the second column; this group of five excludes the museums owned and operated by the Regional Municipality.

For the larger group of Museums and Galleries, government sources account for almost 57% of revenues. This drops to 27% when the municipally-operated museums are excluded.

The Performing Arts group obtains a very high 64% of their operating funding from Earned Revenues. Governments and the private sector supply only 21% and 14% respectively.

Figure 7

Funding Sources by Type of ACH Organization

	Museums & Art Galleries (N=7)	Museums & Art Galleries (N=5)*	Performing Arts (N=17)	Festivals (N=3)
Government Revenues	56.9	27.4	21.5	46.7
Federal / Canada Council	2.6	4.4	4.5	
Provincial / Ontario Arts Council / Trillium Foundation	5.5	5.4	3.1	
Municipal	48.8	17.6	14.0	46.7
Private Sector	14.4	25.2	14.0	43.1
Foundations	3.5	6.4	0.9	3.7
Corporate donations / sponsorship	3.8	6.8	4.1	35.4
Other donations	6.6	11.2	8.3	4.0
Endowments	0.4	0.8	0.7	
Earned Revenue	28.7	47.4	64.4	10.2
Tickets/admission/gate receipts/memberships	14.3	22.2	50.1	2.3
Other earned revenue (concessions, merchandise, fees for service, etc.)	14.4	25.2	14.3	7.9
Total funding - 3 sources	100.0	100.0	100.0	100.0

*Excluding funding for Doon Heritage Crossroads and Joseph Schneider Haus/McDougall Cottage.

In Figure 8, the ACH Organizations, excluding the museums owned by the Regional Municipality, have been categorized as Large or Small according to their annual operating budget (the Large category includes 598092

organizations with budgets over \$500,000). The Large organizations, which include non-municipal museums, and galleries and performing arts, rely on earned revenues for the majority of their funding (61.8%). The Small organizations receive the majority of their funding from municipal governments (60.2%).

Figure 8

Funding Sources For Large vs Small ACH Organizations

	Large (N=5)	Small (N=20)
Government Revenues	22.8	68.9
Federal / Canada Council	4.1	2.8
Provincial / Ontario Arts Council / Trillium Foundation	3.2	5.9
Municipal	15.5	60.2
Private Sector	15.5	9.7
Foundations	1.7	1.8
Corporate donations / sponsorship	4.3	3.8
Other donations	8.7	4.1
Endowments	0.8	0.0
Earned Revenue	61.8	21.4
Tickets/admission/gate receipts/memberships	45.7	13.9
Other earned revenue (concessions, merchandise, fees for service, etc.)	16.1	7.5
Total funding - 3 sources	100.0	100.0

Corporate Sponsorship

The ACH organizations were asked to list the names of their corporate sponsors. Many did, but the list is likely still incomplete. However, it does provide an interesting perspective on corporate sponsorship in this region. For example, it appears that only a few businesses support more than one cultural organization. It also appears that most businesses, including some well-known large corporations do not support arts and culture organizations in this region. The Resources Task Force plans to conduct further research into the reasons that corporations have both for supporting, and not supporting, the cultural sector.

Human Resources

The 27 responding organizations employ about 150 full time and 260 part-time staff. They also provide educational experiences for about 70 students and interns per year.

In addition, over 100,000 volunteer hours are contributed annually. This represents a significant resource, although the value is difficult to quantify.

Some of the comments from the ACH organizations indicate that they are not able to compensate their staff or visiting artists at appropriate pay levels, and that benefit plans are less than in the private sector.

Comparisons with External Statistics

a) Business for the Arts Canadian Survey

An annual survey of Canadian Arts organizations is undertaken by 'Business for the Arts', a national business association dedicated to increasing partnerships between business and the arts. The most recent survey results are shown in Figure 9.

Figure 9

Business for the Arts - 2006- 2007 Survey Data - Per cent of funding

	Canadian Museums & Art Galleries (N = 113)	Canadian Performing Arts (N = 216)	Canadian Festivals & Presenters (N = 96)
Government Revenues	68	27	27
Federal Departments	39	0	3
Canada Council	1.1	6	1
Provincial Funders	22	9	10.3
Municipal Funders	4	4	6.2
Other	0.8	8	6.4
University	0.8		
Private Sector	9	23	21
Corporate Sponsorships	1.2	6	12
Corporate Donations	1.1	1	3
Individuals/Boards	2.2	9	4
Foundations	3	3	1
Fundraising	1.4	5	1
Earned Revenues	23	50	52
Entrance Fees	7	38	23
Memberships	2	0	3
Other	15	12	26

Several significant differences can be seen by comparing Figures 7, 8 and 9. Government revenues are a much larger source of funding for Canadian museums and galleries (68%) than for local museums and galleries (56.9%). The Federal (39%) and Provincial (22%) government and granting agency support for ACH organizations Canada-wide is not found to the same extent in Waterloo Region. Here, the Federal (2.6%) and Provincial (5.5%) level support is minimal.

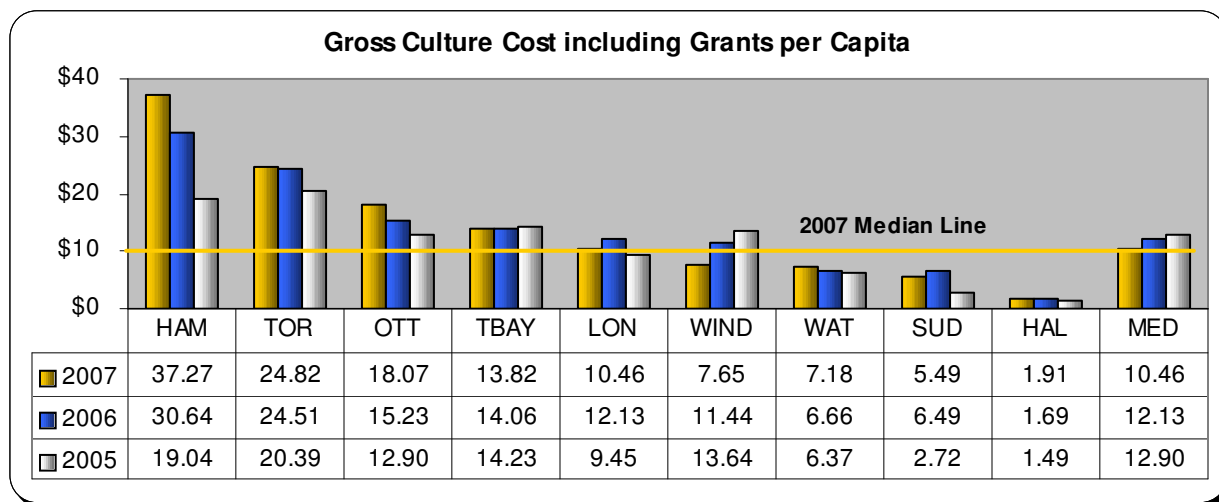
For Performing Arts organizations, the Private sector is not as supportive locally (14%) as it is across Canada (23%). The difference is made up through Earned Revenues, which account for a significantly higher percentage of annual operating funds at the local level.

b) Other Municipalities

The Ontario Municipal Benchmarking Initiative (OMBI) is a voluntary collaboration of large regional and single tier municipal governments in Ontario. For the Culutre service area, seven single-tier and two regional municipalities reported gross culture costs in 2007, as shown in Figure 10.

The median (middle) value was \$10.46 per capita, but if the two regional governments are excluded the median value would be \$13.82. In comparison, the combined cultural spending of the Region and Area Municipalities in 2007 was reported as \$8.2 million (Figure 2). This amounts to \$15.59 per capita, placing the region between Ottawa and Thunder Bay in per capita cultural spending. Overall, cultural spending by municipal governments in the region compares favourably with other Ontario municipalities.

Figure 10



Source: Ontario Municipal Benchmarking Initiative (OMBI) 2007

Notes: The individual municipal results are influenced by the following factors: (1) whether it is a single-tier or Regional government structure; (2) differing levels of in-kind services, which are not counted in these results; (3) whether the municipality has adopted a cultural plan.