

Canada's Fine Arts and Culture System:

Strategies for supporting a more resilient
future

Canada's Fine Arts and Culture System:
Strategies for Supporting a more Resilient Future

by Robyn McCallum

Submitted to OCAD University
in partial fulfillment of the requirements for the degree of
Master of Design in Strategic Foresight and Innovation

Toronto, Ontario, Canada
December 2016

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Robyn McCallum

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Abstract: Fine arts organizations and practitioners face tremendous challenges in the twenty-first century created by changing demographics, shifting global economic realities, the rapid diffusion of digital technology, new patterns of audience engagement, and cultural shifts within institutions, among others. These new realities are forcing fine arts and culture entities at all levels within the sector to reconsider their models, policies, practices, behaviours, and structures. This research is intended to provide an analysis and critical overview of the state of the fine arts and culture sector in Canada while also aiming to illuminate ways in which change might happen in the sector. This research takes a systems view of the relationships between primary stakeholders, first examining some of the key challenges facing the sector today and then uncovering the system structures and archetypes supporting the status quo. Ultimately, this research endeavours to illuminate new strategies to supporting a resilient, thriving fine arts and culture sector in Canada.

Acknowledgements

This project would not have been possible without the unending support and encouragement of my family, friends, colleagues and advisors.

Thank you to my principal advisor Nabil Harfoush, it has been a great honour to have your guidance and support through this process. You have shepherded me through this huge undertaking with great patience and wisdom and provided me with advice that will resonate with me well beyond the completion of this research.

Thank you to Doug Simpson, who so generously carved out time in his very busy schedule, always making time to listen, read and provide feedback, and to make sure that I didn't embarrass myself when industry people got their hands on this report. Your insights have been instrumental in pulling this research together.

Thank you to my brilliant SFI colleagues Ryan Murphy and David Fascinato. You are inspirations and the research would not be what it is without your support and feedback.

Thank you to my partner, Stephen Delaney. I simply would never have been able to do any of this work without you. You served as sounding board, unofficial advisor, editor, and chief cheerleader, always ensuring that I stayed the course. I am forever grateful.

Finally, I sincerely thank all of the arts practitioners working tirelessly to create and disseminate their own and others' work. This work is the lens through which I view the world and I am forever in your debt.

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Canada's Fine Arts and Culture System:
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An Overview

Fine arts organizations and practitioners face tremendous challenges in the twenty-first century created by drivers such as changing demographics, shifting global economic realities, the rapid diffusion of digital technology, new patterns of audience engagement, and cultural shifts within institutions, among many others. These new realities are disturbing traditional ways of operating and have created a need for new strategies to support artistic production and dissemination within the country.

By many measures, fine arts and culture is thriving in Canada. There exists a rich cultural ecosystem in the country made up of a variety of small, medium and large organizations operating from coast to coast to coast. These institutions have nurtured the careers of numerous artists who have created an impressive canon of extraordinary work enjoyed within Canada and internationally. Several of these deep strengths arise from a long history of public funding supporting the arts in Canada. There exist numerous public funding agencies within the country operating at national, provincial or territorial, and municipal levels which all provide a significant amount of funding to fine arts and culture organizations and practitioners alike. As will be explored in greater detail in this report, the public funding system in Canada is relatively unique. The blended funding model that the government utilizes to support the sector is generally considered to be sitting half way between the United States, where the majority of fine arts and culture organizations are funded primarily with private money, and Europe, where most organizations are primarily funded by parliament. This means that in Canada fine arts and culture organizations and practitioners receive a high level of public funding, but are still heavily reliant upon other sources of income. Since their establishment, the evolution of Canadian art history has been completely entwined with the decisions made by these funding agencies and their councils and fine arts and culture organizations and practitioners are highly reliant on public funds.

This system received a major financial boost when in March 2016 the newly elected Liberal government announced that they would be investing \$1.9B in the arts over the next 5 years, an initiative that will certainly revitalize the sector. However, it is this author's belief that this influx of capital will not be the silver bullet that many make it out to be. The pressing question at this juncture is how to build on this progress. This system, while not without its strengths, struggles when faced with many of the challenges impacting the fine arts and culture sector in Canada today. This is the ideal time to look at this system critically. With that in mind, the following research question was developed to frame the research for this MRP:

How can fine arts and culture entities in Canada create more resilient strategic plans and partnerships to thrive in an increasingly challenging ecosystem?

What this is referring to is the need for fine arts and culture organizations and practitioners to reassess their business models as the sector, like all industries at the moment, deals with the rapid pace of change in today's world.

While the funds being injected into the system by government will undoubtedly have a positive impact on what is generally considered an undercapitalized industry, a continued stream of funding increases from the government is not guaranteed and should not be relied upon so heavily that the existence of these organizations is fundamentally threatened by even objectively small decreases in funding. Additionally, the rate of growth of public funding has been vastly outpaced by the rate of sectorial growth for decades, meaning that the number of arts organizations in Canada has been growing faster than available funds for quite some time. This has resulted in resources being stretched thinly across a greater number of organizations, leading to a drop in the average amount of support each organization receives.

Looking deeper still into the workings of the fine arts and culture system in Canada, one could also see erosive issues from a combination of factors, including a low standard of living, mid-career attrition, a dwindling labour pool, skills shortages and under-resourced managers and artistic directors, weak governing boards and poor succession planning at management at board levels. Organizations are also contending with declining subscriptions as well as individual ticket sales, and at times a growing perception that much of their programming is inaccessible, irrelevant or obsolete. Far too many emergent organizations fail to survive the shift to the next level of maturity and either remain trapped in their current state and stagnate, or cease to exist entirely.

Building on the above, this research highlighted and expanded upon seven primary challenges or areas of difficulty that should be considered:

1. The Public Funding Model
2. Demographics and Audience Engagement
3. The Impact of Technology
4. The Viability of a Career in Fine Arts and Culture
5. Exclusivity
6. Inequality Between Large and Small (or Incumbent and Newcomer) Organizations
7. New Models Within the Sector

The hopeful contribution of this research is that in providing a set of preliminary strategies to support greater resiliency within the sector, it will serve both as a platform upon which to base future research and serve as a catalyst for critical thinking and debate within the sector. As such, this report also contains nine primary recommendations for addressing the issues highlighted above and expanded on in detail throughout the report. These recommendations are:

1. Present a New Argument for the Importance of Fine Arts and Culture in Society
2. Adopt an Ethos of Agility over Stability
3. Form a Cultural Policy "Think Tank"

4. Perform a Sector Specific Independent Review
5. Large of Incumbent Organizations Should Consider their role as Greater Players in the Ecosystem and the Impact that they can have on Smaller Organizations
6. More Wholly Embrace a Systems Thinking Approach
7. Fine Arts and Culture Organizations Should Form Technology Committees on Their Boards
8. Public Funding Agencies Should Support Efforts to Design Sustainable Business Models
9. The System Should Let Some Organizations Fail

There are also an additional 17 other recommendations directed at either government, public funding agencies, and fine arts and culture organizations to assist in addressing the various challenges facing the system that are elaborated upon within the report.

Ultimately, this report set out to answer the question *how can fine arts and culture entities in Canada create more resilient strategic plans and partnerships to thrive in an increasingly challenging ecosystem* while also exploring the impact of new forms of technology, demographic shifts, legacy systems and frameworks, new forms of resource development and capacity building, among other factors.

INTRODUCTION

Research Question: How can fine arts and culture entities in Canada create more resilient strategic plans and partnerships to thrive in an increasingly challenging ecosystem?



Figure 1 - 'Sebastian' by Chris Curreri. Image courtesy of Daniel Faria Gallery

The fine arts and culture sector in Canada is undergoing unprecedented changes that are profoundly disturbing the traditional ways of operating and has created a need for new strategies to support artistic production and dissemination within the country. Changing demographics, shifting global economic realities, the rapid diffusion of digital technology, new patterns of audience engagement, and cultural shifts within institutions are forcing fine arts and culture entities at all different levels within the sector to reconsider their models, practices, behaviours, and structures. Furthermore, as Canada's cultural expression evolves, legacy systems and existing sectoral frameworks need to be reevaluated to accommodate both emerging forms of artistic expression as well as new initiatives by the country's fine arts and culture institutions.

The fine arts and culture sector in Canada is a complex system whose responses to internal and external forces emerge from feedback interactions between their parts. Fine arts and culture leaders must routinely deal with both detailed and dynamic complexity in times of

stability and uncertainty alike. As such, this research approaches the sector with a systems view and utilizes system archetypes as a way of examining the relationships between primary stakeholders and the system structures currently supporting the status quo. This report, while examining several individual elements of the overarching arts and culture system in Canada, ultimately seeks to reveal important connections between elements within the sector, and the impact that these elements have on the system as a whole. Focusing on the health and vitality of any one particular organization or component of the system, or the symptoms of dysfunction, does little to resolve the systemic issues impacting the sector. However, understanding what is causing these symptoms, and why, is an important step.

This research project is intended to provide a synthesis and critical overview of the state of the fine arts and culture sector in Canada while also aiming to illuminate ways in which change might happen in the sector; first examining some of the key challenges facing the sector today and then uncovering the system structures supporting the status quo. The report will then explore the applicability of different visions for the sector as well as a variety of frameworks and platforms more prevalent in other sectors to assess the fit (or lack thereof) to arts and culture in Canada. Finally, the project will examine pathways towards a more resilient, diverse and sustainable fine arts and culture sector in Canada going forward as this sector, like all industries at the moment, deals with the rapid pace of change in today's world.

While this research does venture into problem solving in the form of recommendations for specific stakeholders, much of its attention is on problem finding and framing. It is the intention of this author that by doing so this research can serve as a platform upon which further research can take place, ultimately helping to contribute to the imagining of new strategies and solutions in support of a more dynamic, healthy, and resilient fine arts and culture sector in Canada.

Preamble/Why This Matters

“Art is not, as the metaphysicians say, the manifestation of some mysterious idea of beauty or God; it is not, as the aesthetical physiologists say, a game in which man lets off his excess of stored-up energy; it is not the expression of man’s emotions by external signs; it is not the production of pleasing objects; and, above all, it is not pleasure; but it is a means of union among men, joining them together in the same feelings, and indispensable for the life and progress toward well-being of individuals and of humanity” - Leo Tolstoy, “What is Art?”, 1898

Art is deeply personal and its intrinsically social nature means that art will resonate with individuals in divergent ways. As a result, extrapolating and expanding upon the myriad of reasons why fine arts and culture are meaningful is difficult, as everyone will have a different perspective on its value. This subjectivity, while on the one hand is a great strength of the arts, can also be a source of difficulty for those working within the field. When competing for funding against other sectors (education, healthcare, etc.) arts and culture can be easily overlooked. Additionally, the public perception of what entails a “cultural experience” has shifted somewhat to include activities outside of the traditional notion of such, meaning fine arts and culture is also competing against YouTube, online lectures, social media and “non-commercial television”, all experiences that the general public increasingly views as a cultural experience (cf. LaPlaca Cohen - Campbell Rinker, 2014).

The difficulty in articulating what it is, intrinsically, that makes fine arts and culture meaningful can be a difficult obstacle to overcome, in particular as this argument often hinges on being able to properly describe a process that has as a great strength the fact that it is truly visceral. It is difficult to hinge arguments for support around something that for many is a very internal, emotional, and purposeful orientation; it is a vulnerable conversation. Despite this, if we are striving to ensure continued support for fine arts and culture in Canada, it is imperative to understand why fine arts and culture is meaningful and important to the individuals providing the support (including, critically in Canada, taxpayers), to their communities, and to Canada. Further, understanding the benefits of the arts is central to the discussion and design of policies affecting the arts.

“We are more and more convinced that culture attracts, sells, brings people together, entertains, appeals, and impresses. It allows us to bridge the gap between local and international, the specific and the universal. It allows us to exchange and share, counting on the possibility of a dialogue that transcends language and imperfect translations, as well as codes, beliefs, religions, and differences of all manner” (Brault & Kaplansky, 2010).

There have been numerous studies on the arts and culture sector in Canada and abroad, revealing an abundance of benefits associated with engagement with fine arts and culture, both to the individual as well as society at large. Holistically, the arts benefit us economically, socially, educationally, and individually. They add vibrancy to our cities, contribute to economic growth, and help facilitate social cohesion (c.f. The Strategic Counsel, 2015). Studies indicate that being exposed to different forms and mediums of art helps disrupt one’s typical ways of perceiving and relating to the world around them (The Strategic Counsel, 2015), moving people

away from their habitual way of thinking, and connecting people more deeply to their surroundings by opening them up to new ways of seeing and experiencing the world (cf. McCarthy, Ondaatje, Zakaras, & Brooks, 2004). On a personal level, people have emotional reactions when engaging with fine arts and culture, from rapt absorption, or captivation, to powerful, distressing feelings. Fine arts and culture have been credited with providing individual benefits such as stress relief and improved critical thinking skills (McCarthy, Ondaatje, Zakaras, & Brooks, 2004). The arts also simply bring joy to many who engage with them and help individuals make sense of their own experiences. These are all qualities that should be cherished. Consider the sentiment that Simon Brault, Director and CEO of the Canada Council for the Arts repeated in his book *No Culture, No Future*: “Culture is like happiness: you only notice how important it is when you don’t have it” (Brault & Kaplansky, 2010)

METHODOLOGY

This report will refer to targeted industries as ‘fine arts and culture’, within which is included the visual arts, ballet and contemporary dance, theatre, the symphony, and opera. Additionally, this research is focused on Canadian small, medium and large non-profit arts organizations and fine arts and culture practitioners, but the same principles could certainly apply elsewhere in the world of culture. It should be noted that these other cultural sectors (for example media, film, radio, television) are deserving of study, but were excluded from the scope of this research project primarily due to project constraints, including timeline and geographic accessibility. Another important note is the potential implications around the use of the word ‘fine’ to delineate the confines of this research. This is an industry term typically used to describe the particular art forms mentioned above, and not intended *by this author* to imply that these particular disciplines are ‘more fine’ than those not included in this research. Additionally, the author is well aware that the true ecosystem of arts and culture is much more all-encompassing than just the disciplines included in this study - the lines of distinction (as will be emphasized later in this report) between opera and movie theatres, for example, are blurring. As such, these boundaries around the research should be considered somewhat permeable.

Sources of Information

The methodology for this research project comprises of two primary sources of information. First, an in-depth literature review was conducted to establish a strong understanding of the current state of the fine arts and culture sector in Canada. This critical review synthesized information from a variety of studies and inquiries surrounding the fine arts and culture system in Canada. A broad variety of secondary research topics were also covered, such as: organizational culture, global economics in the 21st Century, the economic growth paradigm, the psychology of aesthetics and arts and culture engagement, as well as public policy from other industries or within other countries. A bibliography of the reviewed material is included in Appendix 4 of this report.

Next, 17 semi-structured interviews were conducted with a variety of stakeholders from the fine arts and culture ecosystem. The intention of these interviews was both to gather specific information on the state of fine arts and culture on Canada as well as to seek out answers to specific questions with the intention of validating (or discrediting) hypotheses this author had regarding the system structures and narratives that define the system as it exists today. While some interviewees elected to remain anonymous, the following participants agreed to have their names published in this report:

Chris Abraham - Artistic Director, Crow’s Theatre

Sara Angel - Founding Executive Director, Art Canada Institute

Nicholas Brown - Manager of Programming and Education, Canadian Art Foundation

Gareth Brown-Jowett - Director, Division Gallery and Co-founder, Editions Book Fair

Zita Cobb - Founder and CEO, Shorefast Foundation

John Dalrymple - Chief of External Affairs, Canada's National Ballet School (NBS)

Rita Davies - Chair, Ontario Arts Council

Peter Herrndorf - CEO, Canada's National Arts Centre.

Barry Hughson - Executive Director, National Ballet of Canada

Jeff Melanson - Arts Leader

William Ritchie - Studio Manager, Kinngait Studios

Robert Sirman - Former Director of the Canada Council for the Arts

Michael Tims - Chair of the Board of Trustees, National Gallery of Canada

John Warwick - Member of the Board of Governors, Shaw Festival

Interviewee biographies are included in Appendix 1 of this report.

The information gathered through the literature review as well as the interviews was organized along themes that emerged through research and synthesized.

There are many great arts leaders that were regrettably not consulted for this research (*mea culpa*). The author holds a great deal of gratitude for the contributions of those consulted. MRPs are written on a timeline, which means that there are certainly many other points of view that were unfortunately not captured and insights that were overlooked in this research. Furthermore, the recommendations contained within this report are not intended as prescribed solutions. They are intended to serve as a catalyst for critical thinking and debate within the sector and to promote members of the fine arts and culture system, at all levels, to reconsider their collective future. It is the author's hope that this research can serve as a stepping stone to further work and as such a series of suggestions have been laid out at the end of the report.

Analytical Tools

A variety of analytical tools were used to aid in assessing the empirical data gathered through literature review as well as the series of semi-structured interviews.

System Mapping Methods - Systems diagrams have been used throughout this report. A key characteristic of a complex system is that it will afford many different vantages, according to the viewer. Complex systems also typically have a variety of moving components that can interact in unpredictable ways. Often, examining one of those components in isolation will fail to reveal the cumulative effects of that component on the rest of the system. In the case of the arts, such a map has potential to be even more valuable than anticipated given we are living in a time where organizations are being asked to demonstrate their worth through robust data collection and reporting. When one considers both the intrinsic and instrumental benefits of the arts, visual mapping becomes a powerful communication tool in an attempt to demonstrate the reach and importance of the sector. System mapping is made up of a feedback loops, which are system structures that causes the output from one of the nodes in the map to eventually influence the input to that same node. There are two types of feedback loops: reinforcing loops and balancing loops. If the change in the node ultimately causes further change in the same direction, that is a reinforcing loop. If the change is in the opposite direction it is a balancing loop. This is what the “+” and “-” symbols on these system maps are referring to throughout the research. It is important to note that any “+” or “-” symbols found within these diagrams are not interpreted to mean “good” or “bad” relationships between element on the diagram. Instead, a “+” symbol on the diagram denotes a positive relationship between the corresponding elements, meaning that when one element increases or decreases, so too does the connecting element. A “-” symbol represents the inverse relationship, meaning that when one element increases or decreases, the connecting element does the opposite.

System Archetypes - Systems archetypes are patterns of behaviour exhibited within a system, emerging from underlying system structures. They do not describe any one problem specifically but rather patterns or families of problems generically. Their value is primarily derived from the insights they are able to offer into the dynamic interactions of complex systems and are an effective tool for answering the question “why do we keep seeing the same problems over and over?” There are 10 generally acknowledged archetypes: Limits to Growth, Shifting the Burden, Eroding Goals, Escalation, Success to the Successful, Tragedy of the Commons, Fixes that Fail, Growth and Underinvestment, Accidental Adversaries, and Attractiveness Principle, some of which will be utilized within this report (cf. Braun, 2002)

Business Model Canvas - An analysis of the typical nonprofit fine arts and culture business model was completed using the structure developed by Alex Osterwalder and Yves Pigneur (Osterwalder & Pigneur, 2010). This can be seen in Appendix 2 of this report. The Business Model Canvas is a visual tool that facilitates the identification and analysis of existing or new business models. According to Osterwalder and Pigneur, a business model describes the rationale of how an organization creates, delivers and captures value. The Business Model Canvas breaks down a business model into nine basic building blocks in the hopes that it can

serve as a blueprint for a strategy to be implemented throughout organizational structures, processes, and systems (Osterwalder & Pigneur, 2010).

Amongst nonprofit fine arts and culture organizations in Canada, there is a typical, longstanding model currently being widely employed within the sector. In order to effectively assess the fit (or lack thereof) of alternative models one must have a deep understanding of not only the predominant model within the sector but also any alternative models under consideration. The Business Model Canvas not only provides a means by which to understand the business model under observation, but the model can provide a shared language that facilitates the description, analysis, and manipulation of business models in order to create alternatives. Without a common language, it can be difficult to systematically challenge assumptions about one's business model and innovate successfully (Osterwalder & Pigneur, 2010).

Environmental Scan - An Environmental Scan was conducted to identify emerging signals of change within the fine arts and culture system in Canada. The table can be found on page 26 of this report. Environmental Scanning is a technique used for detecting early signals and explore unexpected or novel trends and their impact on the issues at hand and the future. It involves a systematic gathering of information about events, signals, and relationships relevant to the subject of study. This gathering of signals produces a curated list of trends and other signals of change which is then used to better understand the nature and pace of change in this case within the fine arts and culture sector. The method can provide a platform upon which to develop strategies and assists in anticipating future developments.

Definitions

The following definitions are used throughout this paper:

Drivers - Factors causing change, affecting or shaping the future. Drivers are often characterized as “direct” or “indirect/underlying”. A direct driver univocally influences an outcome in the system. An indirect driver (sometimes called a moderating or mediating variable) operates more diffusely, altering one or more outcomes (Forward Thinking Platform, 2014).

Fine arts and culture/fine arts and culture sector - In this context, this sector is comprised of both visual and performing arts. Dance, music, opera, theatre, museums, art galleries, and artist-run centres are all examples of included art forms. Media arts (film and television), broadcasting, libraries, and other industries often considered within the realm of arts and culture, were not included in this research.

Small and Medium Sized Business (SMB)/Small and Medium Enterprise (SME) - A business with 100 or fewer employees is generally considered small, while one with 100-499 employees is considered to be medium-sized.

Trend - General tendency or direction of a movement/change over time (Forward Thinking Platform, 2014).

Constraints

Attempting to present an overview of the fine arts and culture sector in Canada can be challenging as information on the sector is often encapsulated within data pertaining to the wider cultural sector as a whole. This necessitates the extraction of data relevant to this research from wider data sets. For example, Statistics Canada often includes broadcasting, the film and video industry, literary arts (book and periodical publishing), the sound recording industry, public archives and national libraries, historic and nature parks, and historic sites in their definition of cultural industries, making it difficult to separate statistics relevant to this research from the greater pool.

Additionally, information gathered from Statistics Canada was often from 2010 or earlier. This is likely related to the cancellation of the long-form census in 2011, which made it much more difficult to find relevant data post-2010. This paucity created issues while searching for in-depth, quantitative data supporting trends and suspicions that are discussed at length in the more qualitative articles sources on the topic. Aggregated, up-to-date, relevant, supporting statistics have been difficult to come by. This is particularly problematic for this research considering how much change has occurred in the sector over the past few years. Adding to this constraint is the finding that compared to peer countries (ex. United States, United Kingdom, Australia) there is a lack of relevant research on the sector in Canada. While the trends discussed in these reports are often broad enough that they can be confidently incorporated into the research and findings on the Canadian system, it would have been beneficial to be able to research the system in Canada directly as opposed to conducting additional research to validate whether or not the factors and trends being discussed remain relevant outside the resource's country of origin.

FINE ARTS AND CULTURE IN CANADA



Figure 2 – “Rehearsal”. Image courtesy of Coleman Lemieux & Compagnie, photograph by Darryl Hoskins

A Brief History of the System

While the history of the Canadian fine arts and culture system is long and complex, in an attempt at brevity, this overview (to provide context to the research that will follow) will begin in the 1950s. This is an appropriate starting date as it marks the beginning of a 20 year period in which an unprecedented number of cultural propositions passed into legislation with the mandate of fostering, promoting and defending Canadian cultural production and services. This period began with the appointment of the Royal Commission on National Development in the Arts, Letters and Sciences, popularly known as the Massey Commission, in 1949 by Canadian Prime Minister Louis St-Laurent (Kallmann, Stewart, & McIntosh (Ed.), 2006). In June 1951, the Commission issued its landmark report on the state of the arts and culture sector in Canada, within which was contained a series of recommendations for parliament advocating for the federal funding of a wide variety of cultural activities (Kallmann, Stewart, & McIntosh (Ed.), 2006). Some of these crucial recommendations passed by the federal government at the time were the Canadian Film Development Corporation Act, the Royal Commission on Book Publishing, the Broadcasting Act, and perhaps most pertinent to this research: the establishment of the Canada Council for the Arts in 1957 (cf. Lum, 1999). This report, as well as the subsequent recommendations adopted by the federal government are typically

considered the first initiatives to preserve and promote Canadian culture by the Canadian government.

Part of the Commission's task was to investigate the overall state of arts and culture in Canada at the time. The commission stated that they were "concerned with nothing less than the spiritual foundations of our national life" and that they sought to determine "what can make our country great, and what can make it whole ¹." These statements are particularly poignant when one considers the perception of Canadian culture by Canadians at the time. Many Canadian citizens feared the impact of continentalism which, in the context of Canadian culture, was exacerbated by the seemingly anemic state of Canadian culture at the time. This condition was especially relevant in relation to the dissemination and pervasiveness of American influence within Canada through arts and culture (including the media - film, television, and radio) and the impact of this on the Canadian psyche. Canadian culture had become nearly indistinguishable from that of the United States, which contributed to a situation where, as the report itself states:

"Ignorance of Canada in other countries is very widespread. People in many countries are aware of our material resources, it is true; but our rapid growth as a world state, and our assumption of world responsibilities, have naturally outstripped the knowledge among other nations of Canadian institutions, habits, people, geography, and especially of our subtle and important relationship with the Commonwealth of Nations. It is not unnatural that Canada has been frequently called 'the unknown country'" (Royal Commission on National Development in the Arts, Letters and Sciences, 1951).

It should be noted that Canadian cultural policy at the time was developed partially upon lessons learned by observing the American fine arts and culture system, a perk of proximity, but the system here was likewise weakened by it. Artist Ken Lum eloquently acknowledges this notion in his seminal essay *Canadian Cultural Policy: A problem of metaphysics* in Canadian Art Magazine's fall 1999 issue, stating "Canada has the ambiguous fortune of sharing its border with the United States of America, the world's largest producer of cultural commodities" (Lum, 1999).

Canada was motivated to create its own cultural identity, and ensure that said identity was separate from both colonial rule and not defined by American culture. However, even if one conceptualizes Canada at the time as having a 'roadhouse' culture, consuming British and American products - be it literature, performing arts, music, and media - one must acknowledge that the country went through an impressive transformation as Canada began to get a sense of itself and make massive investments in culture. These investments have created talent, technical abilities and audiences from which the sector is largely benefiting today, generations later. It is this author's belief that many of the deep strengths that exist within the fine arts and culture ecosystem in this country are the result of a 75 year history of significant public investment in the sector.

¹ This last remark was in reference to the duality of French and English heritages in the country

The final chapter of the report put forth by the Massey Commission was titled “A Council for the Arts, Letters, Humanities and Social Sciences” and stated “That a body be created to be known as the Canada Council for the Encouragement of the Arts, Letters, Humanities and Social Sciences to stimulate and to help voluntary organizations within these fields, to foster Canada’s cultural relations abroad, to perform the functions of a national commission for UNESCO, and to devise and administer a system of scholarships as recommended [earlier in the report].” (Royal Commission on National Development in the Arts, Letters and Sciences, 1951). Since its inception, the Canada Council has played an essential role in sustaining fine arts and culture in Canada. A crown corporation originally funded by revenues from an endowment fund but now funded primarily by parliament, the Canada Council was created with the broad mandate “to foster and promote the study and enjoyment of, and the production of works in, the arts” (Canada Council for the Arts, 2016). Today, the Canada Council remains Canada’s national public arts funder. In 2014 - 15 it allocated \$155.1 million towards arts creation and promotion through grants and prizes. (Canada Council for the Arts, 2016). In March 2016, the Liberal government announced that it would be investing \$1.9 Billion in arts and culture over the next 5 years (Abma, 2016), \$550 million of which is being allocated to the Canada Council which will undoubtedly have a major impact on the sector nationally (Sandals, 2016a).

Beginning mostly in the 1960s, provincial and regional arts funding agencies began to emerge, with *modus operandi* largely modelled after the Canada Council. The Ontario Arts Council began its work in 1963, the Toronto Arts Council in 1974, the Newfoundland and Labrador Arts Council in 1980, the Alberta Foundation for the Arts in 1991, the Conseil des arts et lettres du Quebec in 1994, and the BC Arts Council in 1995, to name a few. The Saskatchewan Arts Board actually pre-dates the Canada Council, having been established in 1948 and was the first agency of its kind in North America and second only to the British Arts Council in the world (“Saskatchewan Arts Board”, 2016). In the case of Quebec, the level of provincial funding actually exceeds the level of federal assistance and has since the 1980s (Bellavance, 2011). Again in his 1999 essay for Canadian Art Magazine, Canadian artist Ken Lum speaks to the general sentiment in regard to the development of this public funding system, simply stating “In Canada, the conventional view among most artists, with regard to the question of art and culture, is that the government is good” (Lum, 1999). Since their establishment, the evolution of Canadian art history has been completely entwined with the decisions made by these councils.

Public subsidy for the arts in Canada is built upon the tax structure in that tax dollars are taken from all citizens and redistributed according to need. This happens in other sectors as well, whether educational need, medical need, or artistic need. In the case of artistic need, the concept behind the various arts councils is to redistribute tax dollars through arms length agencies (The Canada Council, the BC Arts Council, etc.) to artistic practice based on excellence and quality of practice. This is executed through a peer-review system in which juries composed of arts practitioners will evaluate the quality of work done by their peers. The sentiment was that if you were a theatre practitioner applying for funding, you would be assessed by other theatre practitioners. This arm’s-length process is viewed as the standard to arts granting in Canada.

By comparison, the United States has a system in which support for fine arts and culture is not distributed through the government itself, but rather through the tax system. This focus on tax-deductible giving results in a system much more focused on private support by economically incentivizing the population to donate. This happens in Canada as well, but personal tax incentives in the United States are more accommodative² and offer a wider variety of options for the donor. The National Endowment for the Arts is considered the closest equivalent to the Canada Council, having invested \$146.2 million USD in the arts in the United States in 2015. This number does seem initially equivalent to the Canada Council's 2014 - 2015 spend of \$155.1 million CAD, but Canada's per capita spending is significantly higher than that of the United States, as shown in the table below:

DIRECT PUBLIC EXPENDITURES ON ARTS AND MUSEUMS IN SELECTED COUNTRIES

Country	Per capita public arts spending	Public arts spending as a % of GDP	Public spending on arts as % of total public spending
Finland	£59.2	0.47%	2.10%
Germany	£56.5	0.36%	1.79%
France	£37.8	0.26%	1.31%
Sweden	£37.5	0.29%	1.02%
Netherlands	£30.3	0.21%	1.47%
Canada	£29.9	0.21%	0.93%
U.K.	£16.6	0.14%	0.65%
Australia	£16.4	0.14%	0.82%
Ireland	£5.6	0.07%	0.43%
U.S.	£3.8	0.02%	0.13%

Source of information: Arts Council England, Policy Research and Planning Department, Research Report Number 13, *International Data on Public Spending on Arts in Eleven Countries*, March 1998.

Figure 3 – Direct Public Expenditure on Arts and Museums in Selected Countries (Nathan, Kemeny, Pratt, & Spencer, 2016; McCaughey, 2005)³

However, private sector support in the United States is at a level far superior to anything being done in Canada and the government does support those activities through lost tax dollars at a level much higher than Canada's subsidy system. There is an entrenched sense of personal responsibility to foster fine art and culture and indeed the love of fine art and culture in the United States that, while certainly present in Canada as well, arguably does not exist at the same level. The culture of fine arts and culture in Canada is fundamentally different and Canadians have built a system in which fine arts and culture organizations and practitioners are reliant upon the system of public funding and support available to them. As a result, in the current system in order for the sector to grow, the public funding system must also grow in tandem.

² If one examines the way the US tax system as a whole encourages charitable giving, it is made much easier by their government for individuals to receive tax benefits for a variety of giving (donating clothing, volunteer activities, etc.) than it is here in Canada.

³ The original Arts Council of England 1998 report which compiled figures on public arts and museum spending using data for 1993, 1994 or 1995, placed Canada just below the middle, regardless of which measure was used (McCaughy, 2005).

On the other side of the funding-model-spectrum is Europe, where government support is often at a level much higher than in Canada. In the theatre world in Europe, an average of 80% of a given theatre's annual budget is made up of contributions from that country's Ministry of Culture ("Arts in Europe", 2016). The Canadian model is generally considered to be a blend of both the American and European models where fine arts and culture organizations and practitioners receive a high level of public funding, but are still heavily reliant upon other sources of income.

Post - Massey Commission, the resulting greater government responsibility for arts funding fuelled huge growth in the sector. In the visual arts, public funding has allowed for a relatively unique-to-Canada network of artist run centres to expand across the country. These institutions, almost entirely supported by public funds, also began cropping up in the 1960s and 1970s in response to what was then perceived as a shortage of exhibition spaces available to young artists. Canadian artists were drawn to these new parallel spaces as they tended to be less conservative in the work they exhibited. The spaces were operated by-artists for-artists and served not only as production and dissemination centres but as professional training and development centres. Artist run centres have had a significant impact on fine arts and culture in Canada and have long fostered theoretical discourse and practices, innovative practices and methodologies, and the development of contemporary arts and culture practices and productions. Many of Canada's most recognized cultural practitioners have come through the artist run centre community.

At the same time in the performing arts, the 1960s were also a time of significant growth, particularly in the founding of new theatres and purpose-built buildings in many municipalities across Canada (Petri, 2012). This ushered in a high-point in performing arts in Canada and saw the establishment of a distinct Canadian voice in fine art and cultural practices. "Canadian orchestras were numerous and busy. Modern dance troupes took flight. All disciplines enjoyed an expansive era, with an explosion of niche or specialized art forms and appeal to every possible audience taste" (Petri, 2012). At the same time, several indigenous performance companies and organizations were founded, many of which are still in operation today (Petri, 2012).

The 1980s and 1990s were largely characterized by a flat lining in government funding resulting in persistent financial problems, and many companies folded or down-sized. This also marked a fundamental shift in many fine arts and culture organizations as this low-funding environment shifted focus increasingly towards marketing, fundraising, and management capacity. While public funding has steadily increased since this period in time, earned income and private sector support have remained necessary sources of revenue within the sector.

All of the above has led to the ecosystem in which fine arts and culture finds itself today. There are a lot of positives within the sector, and any initiatives undertaken today will be built upon a robust framework of system structures, and within a dynamic mosaic of artistic expression. And yet, today's environment is radically different than in decades past. The fine arts and culture sector is going through a period of change that is profoundly disturbing 'business-as-usual' that

the sector must address and adapt to if it is to remain healthy, resilient, and continue to offer value to the public.



Figure 4 - Untitled image courtesy of Coleman Lemieux & Compagnie

THE STATE OF THE INDUSTRY



Figure 5 - Chris Abraham and Torquil Campbell. Image Courtesy of Crow's Theatre. Photo by Dahlia Katz

By many measures, fine arts and culture is thriving in Canada. There exists a rich cultural ecosystem in this country made up of a variety of small, medium and large organizations operating from coast to coast to coast. These institutions have nurtured the careers of numerous artists who have created an impressive canon of extraordinary work enjoyed within Canada and internationally. In fact, Canada is well known internationally for its artists. A recent study conducted by the Massachusetts Institute of Technology found that 9 of the 10 best known Canadians around the world were all artists (the errant member was philosopher Marshall McLuhan), the only country in the survey in which this was the case (Yu, Ronen, Hu, Lu, & Hidalgo, 2016; c.f. Herrndorf, 2015). This is even more impressive when one considers that Canada has a population of approximately 36 million, which is only slightly below the

population of the state of California, which is now just shy of 39 million residents⁴. However, the 21st century has seen substantial shifts in audience behaviours, an ever-growing and diverse range of options competing for the public's leisure time, and technological changes that are fundamentally altering how we experience the world around us. Canada's future as an arts leader hinges on the sector's ability to continue to adapt to our rapidly changing environment.

In March 2016 the newly elected Liberal government announced that they would be investing \$1.9B in the arts over the next 5 years (Abma, 2016), an initiative that will certainly revitalize the sector, which has tolerated a decreasing funding environment over the past 20 years (Marsland, 2013; Litzenberger, 2013). The exigent question at this juncture is how to build on this progress. This is the ideal time to look at this system critically.

And yet what many observers may view as a thriving fine arts and culture sector in Canada today, looking deeper one could also see erosive issues of a low standard of living, mid-career attrition, a dwindling labour pool, skills shortages and under-resourced managers and artistic directors. Emerging leaders' accomplishments are dissipated as all too often no provision has been made for succession planning at management or board levels (Harvey, 2003). Organizations are battling to stay alive amid the growing complexity of work within non-profit fine arts and culture organizations today and far too many emergent organizations fail to survive the shift to the next level of maturity and either remain trapped in their current state and stagnate, or cease to exist entirely. This is critical as the public funders in Canada tend to propagate a growth paradigm in which organizations are rewarded for expanding their operations over time, making growth capacity an important measure of success (Evans, 2016). Organizations are contending with declining subscriptions as well as individual ticket sales, competition from new forms of entertainment, and at times a growing perception that much of their programming is inaccessible, irrelevant or obsolete. In many organizations inadequate succession planning coupled with demographic realities are pushing the sector towards a leadership crisis across the country, an issue perpetuated by the apparent recent increase in international hires for top arts and culture leadership positions. Fine arts and culture leaders are experiencing increasingly complex on-the-job challenges and new competency demands as organizations adapt to the rapid pace of change in today's world. All of this leads one to question whether or not the traditional fine arts and culture model is functioning in the 21st century. It is with that question that what is perhaps the most pressing issue facing the fine arts and culture ecosystem arises: the lack of establishment and proliferation of new models within the sector to address the aforementioned challenges.

⁴ Population statistics came from Google. Most recent numbers can be found by searching "population of Canada 2016" and "population of California". Links are:

<https://www.google.ca/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=population+of+canada+2016>

<https://www.google.ca/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=population%20of%20california>

Chart 2: Arts and Cultural Events Attended in 2004 and 2012
 % Canadians attending each event
 Source: (Phoenix 2012)

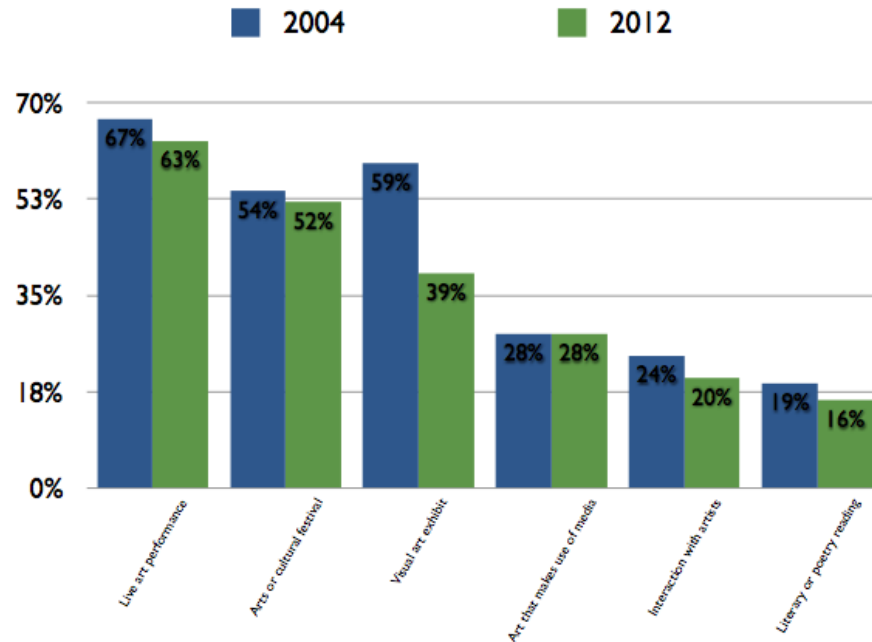


Figure 6 - Arts and Cultural event attended in 2004 and 2012 (% of Canadians attending each event) (Caron Malenfant, Lebel, & Martel, 2010)⁵

Before delving into what these new models may resemble, it is important to explore the several factors that make the business of arts and culture relatively unique. First, consider what Michael Kaiser, formerly the president of the John F. Kennedy Center for the Performing Arts in Washington, D.C., refers to in his most recent publication *Curtains?: The Future of the Arts in America* as the “productivity problem” intrinsic to the arts: “it takes the same number of musicians the same amount of time to play Beethoven’s symphony now as it did 200 years ago, often in theatres with the same number of seats. Meanwhile, the cost of violins, musician salaries and everything else kept going up...” (Kaiser, 2015). The result of this is that fine arts and culture organizations have a higher rate of inflation than other industries where increasing worker productivity can offset inflation in other areas of the business (Kaiser, 2015). Organizations are finding themselves undercapitalized which forces them to raise admission prices which can alienate their audiences. For example, in a recent interview with the Miami Herald, Kaiser cites the price of a centre orchestra seat at the Metropolitan Opera, which has gone from \$10 in 1960 to \$300 in 2015, an increase by a factor of 30. Inflation over the same

⁵ “Findings from an arts attendance and participation survey conducted for the Department of Canadian Heritage (Phoenix 2012) show that a majority Canadians (83%) attend some sort of cultural, heritage, or arts activity at least once a year (not including activities like reading for pleasure and watching movies). However, the study found that—while clearly still popular—all categories of arts attendance were slightly down over previous years, with the biggest difference being a decline in the visual arts, from a high of 59% in 2004 to 39% in 2012. As for participation, although more than half (57%) said they were personally involved in an artistic activity, this figure had decreased from 63% in 2004” (Jeffrey & MacKinnon, 2013)

period went up by a factor of just 7.8 (Levin, 2015). At the time of writing this report, the same tickets cost up to \$886 USD each.

This is particularly disaffecting for younger fine arts and culture patrons and participants, who did not necessarily grow up with the arts given the diminished focus on arts education in Canadian school over the past several years (Levin, 2015; cf. Smith, 2011). This may be directly influencing another recent trend in the industry - the younger generations are less philanthropic and are less loyal to any particular organization than previous generations (Miller, 1996; Evans, 2016). Addressing the latter first, research shows that Millennials (born 1977-1995) ("Generational Breakdown: Info About All of the Generations", 2016) are less committed to institutions than previous generations, and while more likely to remain passionate about specific causes than older generations, they may jump from supporting one organization to another within the same sector (cf. Achieve, 2016; Urbain, Gonzalez, & Gall-Ely, 2012). For the former, a Statistics Canada report published in 2015 finds that between 2010 and 2013 the total amount donated by Canadians to charitable or not-for-profit organizations increased by 14% to \$12.8 billion. However, the average age of donors in Canada is increasing (mirroring the general population), and Canadians aged 55 and older contributed 44% of all donations to non-religious organizations, an increase from previous years. While it is widely accepted within the sector that charitable donations tend to increase with age, it would appear that younger donors are not replacing older ones⁶ (Turcotte, 2016). The study also revealed, however, that a greater percentage of volunteers are coming from the younger generations, implying that they are finding ways of contributing to causes they care about that fall outside the traditional definition of charity (for example, promoting and sharing causes online). Younger generations are passionate about causes, but not necessarily passionate about nonprofits and charities ("The Next Generation of Philanthropy", 2015). Fine arts and culture must also address the tandem need to appeal to a younger generation that "has grown up seeing art on the web", shifting what it is they expect from fine arts and culture institutions away from what previous generations have been fostering (Angel, 2013). These demographic shifts are causing some organizations to stumble as they attempt to effectively engage and market to these younger generations in an effort to diversify their audiences (by retaining younger and more ethnically diverse patrons/participants/attendees).

Another differentiator for fine arts and culture is that earned income has some built in limitations for many organizations. If you consider a theatre, there are only a particular number of seats available for each performance. This means that unlike other sorts of organizations that can spread their costs over a growing customer base, the audience for each performance and thus the real revenue for that performance is fixed (Kaiser, 2015). While there have been some innovative initiatives in this area - for example The Met Opera and the Canadian Opera Company broadcasting their performances live to movie theatres across the globe, creating an additional source of revenue and greatly increasing accessibility to opera thus diversifying their

⁶ One can speculate on reasons for this - external phenomena such as high housing costs, high levels of student debt and comparatively low salaries relative to previous generations at the same age are possible contributors. These are not explicitly explored within the confines of this report, however.

audiences - this remains a significant challenge with the standard model employed within the industry and sets fine arts and culture apart.

The fine arts and culture sector in Canada is troubled in many ways, but a large portion of these can be traced back to financial concerns. There is a strong sentiment amongst stakeholders that the entire sector is undercapitalized, a problem that ripples across the entire ecosystem and impacts organizations and fine arts and culture practitioners in unexpected ways. Part of the problem is that over the last few decades, the arts sector has experienced explosive growth (Marsland, 2013). This has resulted in resources being stretched thinly across a greater number of organizations, leading to a drop in the average amount of support each organization receives, putting a strain on a system that is particularly sensitive to decreases in funding from this singular source. As this situation escalates as more and more practitioners and organizations enter the field⁷, the policies that were put in place to support and sustain a thriving cultural sector, as well as the structures, models, and behaviours that they fostered, are becoming increasingly challenged.

⁷ While it may seem counterintuitive that the number of practitioners and organizations are entering the field while chances of success are decreasing, it is this researcher's belief that relatively low barriers of entry to starting organization or practice coupled with low visibility on the realities of operating within the sector from the outside are contributing to increased growth.

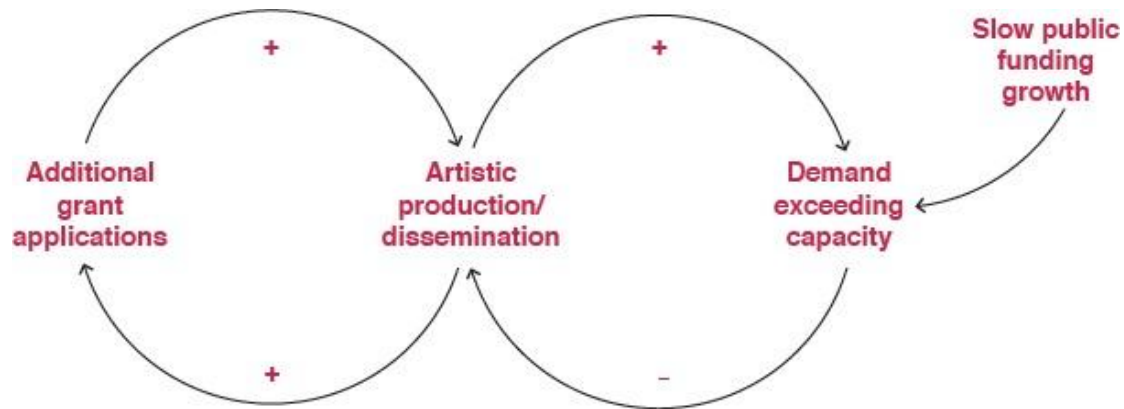


Figure 7 - Limits to Growth Archetype

The “Limits to Growth” archetype was introduced by Donella Meadows, Dennis Meadows, Jorgen Randers and William Behrens in 1972 (Braun, 2002). This archetype is based on the premise that growth cannot continue incessantly, something always pushes back. The archetype states that a ‘reinforcing process of accelerating growth (or expansion) will encounter a balancing process as the limit of that system is approached. It hypothesizes that continuing efforts will produce diminishing returns as one approaches the limits” (Braun, 2002). In the case of the fine arts and culture sector, Limits the Growth is apparent as development of the sector continues to outpace the growth of government investment. On the left of the diagram, there is a reinforcing loop as increased artistic production/dissemination drives an increase in grant applications, in turn driving further artistic production/dissemination. However, on the right side of the diagram as a balancing loop where slow public funding is a limit to growth, causing increased artistic production/dissemination to push the system beyond capacity.

These problems are not exclusive to the fine arts and culture sector, nor Canada. Cultural communities across the globe are being forced to confront these challenges (amongst many others). The Canadian arts and culture system, however, is unique and systemic issues manifest in particular ways here versus elsewhere (by virtue of being a unique country with a unique culture, national psyche, set of norms, and structures). Acknowledging that something is not functioning as well as it once was is an excellent first step but in order to address these challenges, one must first dismantle them and examine the incentives in place that strengthen the existing structure. Accordingly, this research will elaborate on several key challenges facing the sector while ultimately attempting to show that it is the system itself that is not functioning exactly as intended.

DRIVERS



Figure 8 - The National Ballet of Canada in rehearsal. Image courtesy of the National Ballet of Canada. Photo by Karolina Kuras

In order to better understand what the future of the Canadian Fine Arts and Culture System might look like one must examine how today's trends will shape and impact the future of the sector. In order to properly execute a foresight exploration, it is necessary to identify the driving forces that are shaping the future in predetermined ways (Wilkinson, 1997). Accordingly, the following drivers have the ability to impact the fine arts and culture sector in Canada's future and are shaping the fine arts and culture system in ways that are adding to the complexity and uncertainty of the future of the industry. These drivers have been considered from a broad conceptual landscape and they, along with many others not explored here, characterize the context in which the industry is currently operating. The specific drivers discussed in this section were those that arose most frequently during both primary and secondary research and are generally believed to be highly influential in the sector. Understanding these drivers'

fundamental and transformative role will assist fine arts organizations and the professionals at their helms in navigating forthcoming challenges and opportunities alike.

Demographics of Canada

The Canadian population is perpetually transforming, and all indicators suggest its fabric will continue to evolve well into the future. There are three components to this transformation explored here:

1. The aging of the Canadian population
2. The expanding mosaic of Canadian multiculturalism

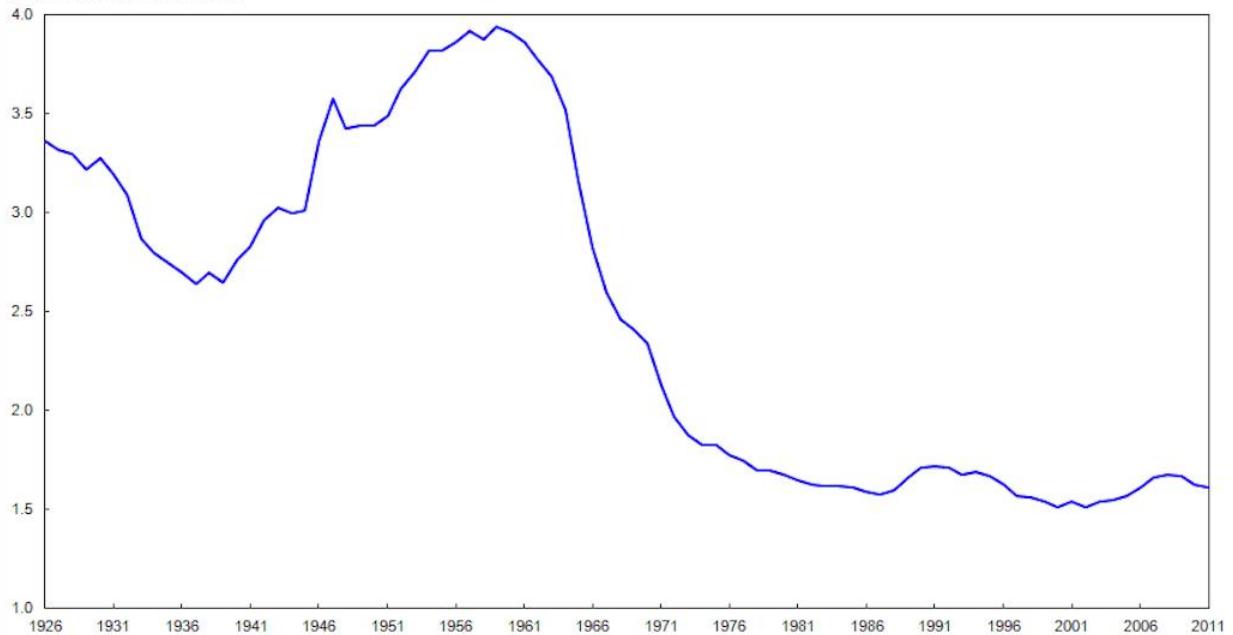
Both of these factors impact the fine arts and culture system in Canada in diverse ways and are causing generational shifts in culture and values across the country.

As of July 1st, 2015 the Canadian population underwent a significant shift with Canadians aged 65 and older outnumbering those who are younger than 15 years of age, representing 16.1 per cent and 16 per cent of the population, respectively (CBC News, 2015). This is a shift that demographers have long seen coming as the cohort of individuals aged 65 and older is up not just in absolute terms, but the rate at which this segment of the population is growing has been increasing exponentially since 2011. The population growth rate for individuals over 65 years of age increased by 3.5 per cent during by July 1st, 2015, which was four times faster than the population at large. This generational shift has been attributed primarily to a persistent low fertility rate in Canada in tandem with increasing life expectancy (Statistics Canada, 2014).

Canada had an estimated total fertility rate of 6.56 children per woman in 1851 (Milan, 2014). As of the arrival of the 20th Century, the fertility rate in Canada has been declining overall. Since then, Canada has moved from a country with a relatively young and growing population to one with an aging population increasingly reliant on immigration for population growth. Today, Canada is considered a 'low-fertility society' with a 2011 national fertility rate of 1.61 children per woman, which is significantly below the replacement-level fertility rate of the same period of 2.1 children per woman, meaning that in 2011 the number of children per woman necessary for the population to replace itself, in the absence of migration, is 2.1. The last time Canada achieved this rate was in 1971, with a fertility rate of 2.13. This is significant as fertility patterns affect the dynamics of population growth and the age structure of Canadian society, as well as household composition (Milan, 2014).

Total fertility rate, Canada, 1926 to 2011

number of children per woman



Note: Births to mothers for whom the age is unknown were prorated.

Source: Statistics Canada, Demography Division, Population Estimates Program, Canadian Vital Statistics, Births Database, 1926 to 2011, Survey 3231.

Figure 9 – Total Fertility Rate, Canada, 1926 – 2011. source: <http://www.statcan.gc.ca/pub/11-630-x/11-630-x2014002-eng.htm> (Milan, 2014)

Occurring in tandem with this trend has been an overall increase in life expectancy in Canada, which has shifted from 57.1 years in 1921 to 81.7 years in 2011 (Decady & Greenberg, 2015).

Another important consideration is immigration and the expanding mosaic of Canadian multiculturalism. In 1971, Canada became the first country in the world to adopt multiculturalism as an official policy. Officially, this meant that Canada would formally respect the diversity of its citizens' languages, religions, and cultures. This policy of multiculturalism acknowledged diversity as an important part of Canadian society and committed the government of Canada to facilitate the removal of barriers for minorities, ensure participation in Canadian society by all Canadians, and promote creative exchange between different cultural groups. Official multiculturalism formalized support for the sentiment that Canadian identity could be composed of its cultural pluralism - a sentiment that has evolved into an ingrained collective value amongst many Canadians.

Natural increases to population growth⁸ are waning as the Canadian population ages and fertility rates decline. Meanwhile, migratory increase is playing an increasingly significant part,

⁸ Population growth = (natural increase=births-deaths) + (migratory increase=immigration-emigration).

Natural increase: Change in the size of a population owing to the difference between the number of births and the number of deaths during a given period.

accounting for two thirds of Canada's population growth in 2014 (Statistics Canada, 2014). Canada admitted 260,400 immigrants in 2014, one of the highest levels in more than 100 years (Martel & D'Aoust, 2016), and in October 2016 Canadian Immigration Minister John McCallum announced that Canada will bring in 300,000 new arrivals in 2017, a number that is set to become the new baseline going forward, meaning that this figure will become the foundational figure for future growth in immigration targets (Press, 2016). Statistics Canada projects that immigration will continue to be a key driver of population growth in the coming years (Statistics Canada, 2014), meaning the need for the fine arts and culture sector to accommodate the interests of an increasingly culturally diverse population is gradually becoming more and more critical.

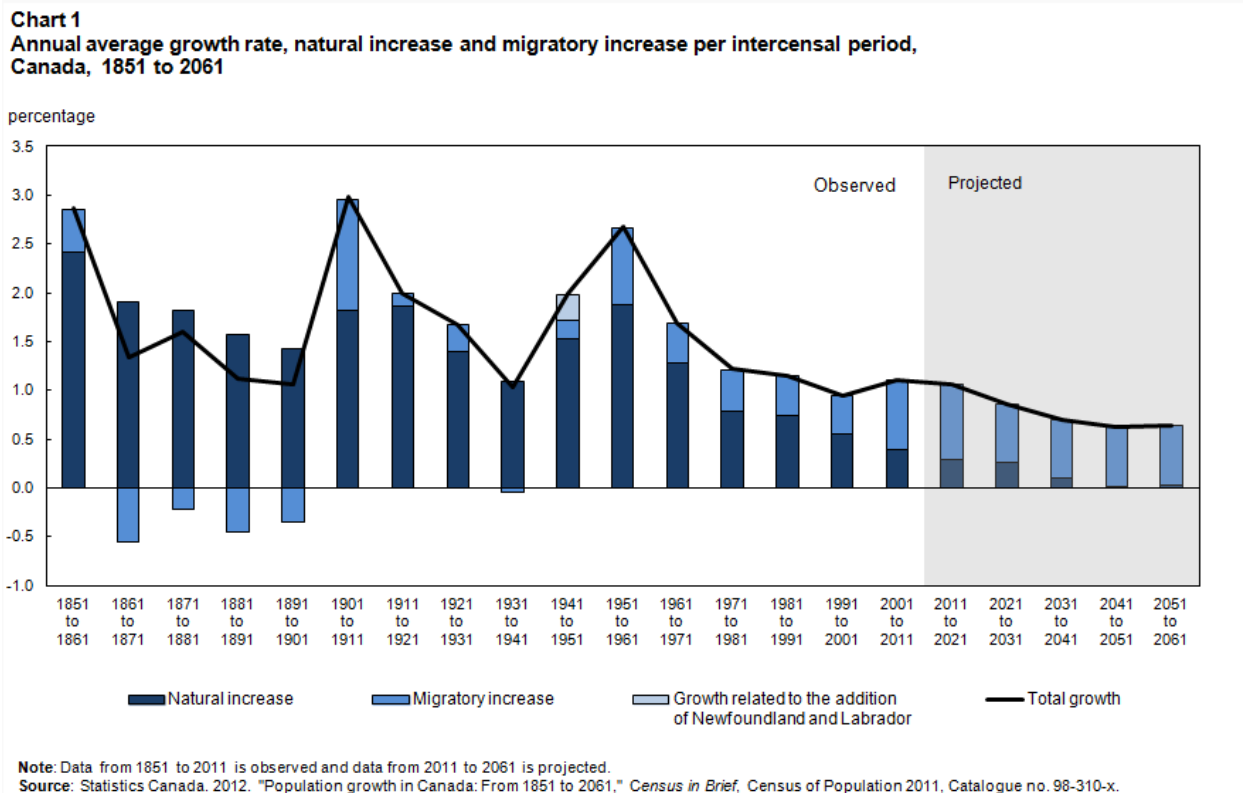


Figure 10 – Annual Average Growth Rate, Natural Increase and Migratory Increase per Intercensal period, Canada, 1851 to 2061 - Source: <http://www.statcan.gc.ca/pub/11-630-x/11-630-x2014001-eng.htm> (Statistics Canada, 2014)

Another important consideration is that Statistics Canada has stated that the Indigenous population in Canada is growing at a rate that is twice that of the non-Indigenous population ("The Daily: Canada's Aboriginal population in 2017", 2005). The Aboriginal population is the most youthful

Migratory increase: Change in the size of a population owing to the difference between the number of migrants who settle within a geographic area and the number of migrants who leave that same area during a given period.

population cohort in Canada, with a projected median⁹ age in 2017 of 27.8 years, which is 13 years below the overall Canadian population ("The Daily: Canada's Aboriginal population in 2017", 2005).

Finally, increasing diversity in Canada will also be reflected in the languages spoken and religions practiced in the country (Jeffrey & MacKinnon, 2013). According to Statistics Canada, by 2031, the proportion of allophones (people whose mother tongue is neither English nor French) could reach 32%, and the number of people having a non-Christian religion is expected to almost double from 8% (in 2006) to 14% by 2031 (Jeffrey & MacKinnon, 2013; Caron Malenfant, Lebel, & Martel, 2010).



Figure 11 - Hannah Fischer and Piotr Stanczyk in rehearsal for The Winter's Tale. Image courtesy of the National Ballet of Canada. Photo by Aaron Vincent Elkaim

⁹ The median is the point at which one-half of the population is older and the other half is younger.

Economics in the 21st Century

The past 50 years have been a period of extraordinary global economic growth. The economy has expanded at an unprecedented rate, driven by sweeping forces such as globalization and massive technological advancement at a rate often compared to the early days of the Industrial Revolution. The first 16 years of the 21st century, however, have been tumultuous. We find ourselves presented with a narrative that business is more volatile, more uncertain, and things are moving faster than ever before.

In the Organization for Economic Co-operation and Development (OECD)'s most recent Interim Global Economic Outlook, the organization said that commercial and residential prices in the U.S., the U.K. and Canada have managed to snap back to levels preceding the 2008 (Lewis, 2016). However, the OECD also warned of persistent low-growth economies in advanced nations, with OECD Chief Economist Catherine L. Mann stating "If we don't take action to boost productivity and potential growth, both younger and older generations will be worse off... The longer the global economy remains in this low-growth trap, the harder it will be for governments to meet fundamental promises. The consequences of policy inaction will be low career prospects for today's youth, who have suffered so much already from the crisis, and lower retirement income for future pensioners" (Organization for Economic Co-operation and Development, 2016).

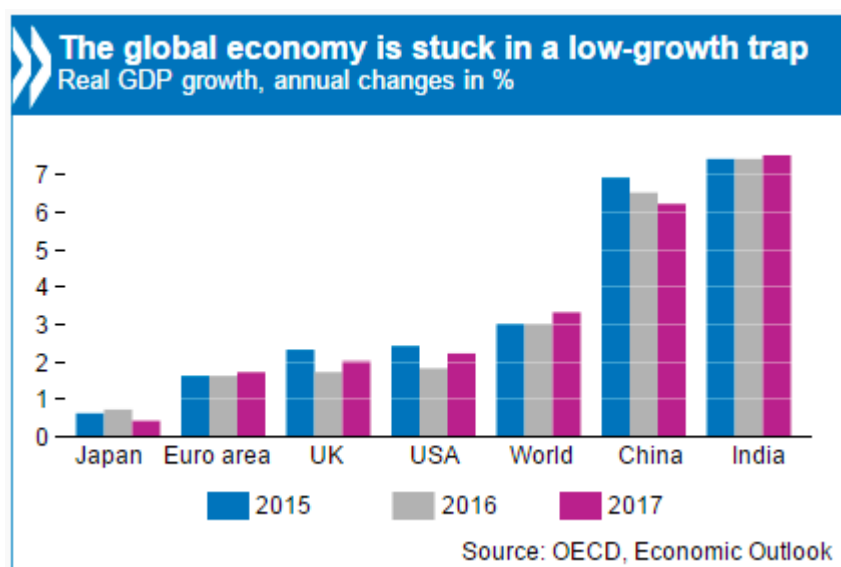


Figure 12 – The Global Economy is Stuck in a Low Growth Trap. Source - ("Global economy stuck in low-growth trap: Policymakers need to act to keep promises, OECD says in latest Economic Outlook", 2016)

The global financial crisis of 2008 was not just a crisis on Wall Street, but also a crisis on "Main Street". With current interest rates essentially at all time lows, governments have an extremely reduced ability to stimulate the economy. If you think of the global economy as a car and monetary policy (i.e. low interest rates controlled by the central banks) and fiscal policy as the gas pedal in that car, we have the pedal to the floor but the car is still pattering along slowly, nonetheless. With most governments already in debt and running large deficits, fiscal policy

(government spending on infrastructure, for example) has been politically unpopular. Governments are running out of traditional levers to pull to stimulate growth. Additionally, there is low visibility on global economic growth at the moment, which is significantly contributing to a growing environment of uncertainty. While Canada did not experience a housing crisis like the one that occurred in the United States, the country was dragged into a recession largely due to our dependence on the US economy. This is occurring during a time of rising income inequality globally, meaning that with the exception of the extremely affluent, discretionary income and thus spending power is unlikely to grow significantly in the years ahead (Kalish, 2011).

Perhaps even more pertinent though is that while Canada's economy is still growing (albeit slower than preferable for economists), this has not translated to a greater sense of well-being for Canadians. According to the just released national index of wellbeing¹⁰, measures that tumbled down during the recession have yet to regain their footing, suggesting that many Canadian are still feeling the effects of the recession (Grant, 2016). "Even as the economy, broadly speaking, based on GDP, is improving ... we're sacrificing the importance of things like people's leisure and culture, aspects of their [sense of] community, health and so forth," said Bryan Smale, director of the Canadian Index of Wellbeing, which is based at the University of Waterloo (Grant, 2016).

This unease over global economic realities has rippled out to touch organizations in all sectors, including not-for-profits, many which are operating in an environment of decreased donations, from both foundations and individuals. Private investment is a major source of funding for fine arts and culture organizations (cf. The Strategic Counsel, 2015). This type of funding, typically predicated upon more donors giving larger and larger cheques - has seemingly plateaued (Evans, 2016). Therefore, fine arts and culture organizations are finding themselves in a new paradigm where competition for funding (both private and government) is at an all-time high, there are more arts organizations competing for funds than ever, and funding growth (like all growth) is likely to continue to slow down significantly. To be succinct, donors are less likely to make major gifts during a time of financial uncertainty and audiences are more price-sensitive, exacerbating the issue (Kaiser, 2009).

Despite the undeniable impact that our economic realities have impacted the fine arts and culture sector, the recent economic downturn cannot be blamed for all of the difficulties prevalent within the sector (as some like to assert). Instead, it is this author's belief that the downturn largely revealed problems already present and gathering just beneath the surface. Issues such as an over-reliance on a few donors, inadequate growth of earned income and an over-reliance on grants in terms of percentage of contributed revenue, and the presence of weak governing boards are good examples.

¹⁰ The index draws on almost 200 data sources, most of them from Statistics Canada. This is the first time the index has been released since 2012, and is based on annual data up to 2014 – meaning it does not capture the period dating from last year's federal election (Grant, 2016).

Technological Advancement

Technological advancement is arguably a driver of change in almost all industries, and not just in Canada. We are now in what some call the fourth industrial revolution, or industry 4.0, which represents a fundamental shift in society's use of technology. In the introduction to his forthcoming book *The Fourth Industrial Revolution*, Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum states:

Of the many diverse and fascinating challenges we face today, the most intense and important is how to understand and shape the new technology revolution, which entails nothing less than a transformation of humankind. We are at the beginning of a revolution that is fundamentally changing the way we live, work, and relate to one another. In its scale, scope and complexity, what I consider to be the fourth industrial revolution is unlike anything humankind has experienced before (Schwab, 2016).

Grasping the speed at which this shift is taking place as well as the latitude of its impact can be difficult to comprehend. Accordingly, Schwab goes on to state:

Consider the unlimited possibilities of having billions of people connected by mobile devices, giving rise to unprecedented processing power, storage capabilities and knowledge access. Or think about the staggering confluence of emerging technology breakthroughs, covering wide-ranging fields such as artificial intelligence (AI), robotics, the internet of things (IoT), autonomous vehicles, 3D printing, nanotechnology, biotechnology, materials science, energy storage and quantum computing, to name a few. Many of these innovations are in their infancy, but they are already reaching an inflection point in their development as they build on and amplify each other in a fusion of technologies across the physical, digital and biological worlds (Schwab, 2016).

Equally, and of particular significance to the fine art and culture sector, this paradigm shift is influencing the ways in which humans express, inform and entertain themselves (Schwab, 2016). Advancement in digital technologies will greatly impact artistic creation and production. Furthermore, the networked nature of the new digital world will undoubtedly have a significant impact on the dissemination of artwork, hopefully facilitating the reaching of new audiences and enhancing artistic experiences¹¹. These shifts necessitate trying to find ways to re-calibrate old platforms and models for the digital age.

¹¹ It is worth noting, however, that increased access to fine arts and culture through digital channels may also inadvertently spread inequality (in regard to access to fine art and culture resources) across customer segments who lack access to them.

OTHER EVIDENCE OF CHANGE

These signals of change are certainly not all encompassing of the myriad of forces impacting the fine arts and culture sector in Canada. The following table touches on, in no particular order, other signals and trends (clusters of signals of change) that have dominated social, economic, and political discourse over the past several years and are having knock-on effects within the not-for-profit fine arts and culture sector in Canada.

Name	Description	Relevance	Link
Fine Arts and Culture as Learning Hubs	Fine arts and culture organizations are being re-conceptualized of as vibrant places that constantly experiment with new ways to use their collections to enhance learning.	Museums, theatres, and other public spaces have the capacity to act as equalizers, giving everyone access to the same learning resources and technology to all.	http://government-2020.dupress.com/trend/museums-learning-hubs/
Widening Education Gap	The education gap between rich and poor is growing wider.	Can community based arts organizations and projects help fill the gap? Strengthens the trend of fine arts and culture organizations as Learning Hubs.	http://www.nytimes.com/2015/09/23/business/economy/education-gap-between-rich-and-poor-is-growing-wider.html?smid=tw-share&_r=1
New Dimensions of Literacy	The rapid acceleration of technology gives rise to new dimensions of literacy. New technologies engage the learners' senses and offer a more immersive learning style.	Fine arts and culture institutions are primed to capitalize on the ethos of this trend. Attention should be paid to emerging digital technologies, their potential to engage broader audiences is great.	http://government-2020.dupress.com/trend/new-definitions-literacy/
Rising Income Inequality	Driven by factors including the aging population, rising unemployment and skill gaps in developing countries, global income inequality is on the rise	Art could serve as a bridge for some of these socioeconomic trends that are exacerbating this situation.	https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-9/mind-the-gap-why-businesses-should-care-about-income-inequality.html

Name	Description	Relevance	Link
Growth of Grassroots Problem Solving	The government-dominated model of public service delivery is shifting to one in which government is just one player among many, including not-for-profits, private corporations, social enterprises and ordinary citizens.	As this trend gains traction, the role of fine arts and culture organizations as a service provider may increase in significance. Emphasis would be put on the potential of fine arts and culture to enact social change.	http://www.solutionrevolutionbook.com/
Persistent Decline in Leisure Time	Canadians are spending less time engaging in the arts and cultural activities, and less time on vacation. According to the National Index of Wellbeing 2014 household spending on recreation, culture and sport fell to its lowest level in 21 years.	Audiences have less time to engage in fine arts and culture, something that is likely contributing to the trend of declining audiences at fine arts and culture events and venues.	https://uwaterloo.ca/canadian-index-wellbeing/sites/ca.canadian-index-wellbeing/files/uploads/files/ciw2016-howarecanadiansreallydoing-1994-2014-22nov2016.pdf
Outcome-oriented Philanthropy a Priority Among Millennials	Two-thirds of respondents to the <i>Millennial Donors Report 2011</i> stated that they wanted to see measureable, quantifiable outcomes in regard to how their donations were utilized (American Alliance of Museums, 2013).	Fine arts and culture organizations may need to focus even more on accountability, testing, metrics and return on investment (ROI) as donors rely less on the mission of the organization. Also, assumptions based on the behaviour of previous generations of donors are not a reliable guide to future patterns of philanthropy (American Alliance of Museums, 2013).	https://ssir.org/articles/entry/a_decade_of_outcome_oriented_philanthropy

Name	Description	Relevance	Link
A Broadening Definition of Art	Partially the result of technological change (as artists experiment more with computer-based art, new media, and other practices previously unheard of) as well as immigration to Canada, particularly from non-European countries - the Eurocentric, traditional definition of art is expanding.	The Canada Council has already looked to address this by introducing genre-free eligibility criteria on many of they grant programs as well as having implemented many cross-disciplinary initiatives. Cultural institutions are beginning to follow suit, shifting programming to be more inclusive of forms of art once considered outside the traditional frame of reference.	http://canadacouncil.ca/council/news-room/news/2014/santiago
The Ascension of Indigenous Arts Practices	This trend “mirrors in many ways a resurgent political, social and cultural voice for First Nations, Inuit and Métis people in Canada. In Canada as elsewhere in the world, cultural expression by Aboriginal peoples is freeing itself from the confines of anthropological and colonial pigeon-holing, and taking its place in art galleries and theatres and publishing houses next to its more traditionally acknowledged counterparts” (Sirman, 2014).	“There are many reasons for this, not the least of which is the extraordinary talent of the practitioners themselves. In Canada, the rich story-telling tradition of Aboriginal peoples provides a robust foundation for a range of arts practices that honour traditional worldviews and philosophies and align well with contemporary interests. The acknowledgement of these practices is not a political or cultural concession; it is a reflection of the quality of the work and the vitality of Indigenous communities” (Sirman, 2014).	http://canadacouncil.ca/council/news-room/news/2014/santiago
The Impact of Social Media on Peoples’ Attention Spans	Sitting quietly in a theatre or concert hall for several hours at a time appears to be less appealing today than it was in the past.	Another occurrence that is likely contributing to the trend of declining audiences at fine arts and culture events and venues. Fine arts and culture producers	http://www.theatlantic.com/magazine/archive/2008/07/is-google-making-us-stupid/306868/

Name	Description	Relevance	Link
The Decline of Arts Education in Schools	Science, technology, engineering, and math (STEM) subjects are the focal point of popular integrated learning systems, leaving the arts behind.	Primary and secondary research shows that early engagement in fine arts and culture is critical to ensure continued engagement throughout individuals' lifetimes. However, this also strengthens the case for Fine arts and culture organizations as learning hubs.	http://www.slate.com/articles/technology/future_tense/2015/06/steam_vs_stem_why_we_need_to_put_the_arts_into_stem_education.html

Table 1 – Other Evidence of Change

WHAT CHALLENGES NEED TO BE ADDRESSED?



Figure 13 - Artwork by Douglas Coupland installed at Daniel Faria Gallery. Image courtesy of Daniel Faria Gallery.

Public Funding Model

“While it is true that, from the beginning of time, humans have had the twin needs to create and to be entertained, the history of arts organizations is entwined with the history of the people who are willing to pay for them.” (Kaiser, 2015).

The funding system in Canada often receives the brunt of criticism when examining systemic issues within the sector. This is not entirely misplaced as this particular component of the larger system exerts considerable influence in shaping the industry as a whole. The public funding agencies are also a feature of daily life for numerous arts practitioners whose practices and organizations are often largely funded by said agencies.

In 2005, Hills Strategy Research conducted a study on behalf of the Ontario Arts Council (OAC) exploring the funding structure of visual arts institutions in Canada by analyzing the operating budgets in 2003 of 34 museums and visual arts galleries that belonged to the Ontario Association of Art Galleries (OAAG) (Bellavance, 2011). The study included a breakdown of the 2003 operating budgets as follows: government sources, 63%; earned income, 25%; private sources, 11%; other, 1% (Hill Strategies Research, 2005; Bellavance, 2011).¹² Although more than a decade old, primary research has indicated that this sort of split remains common, at least amongst represented institutions¹³. Government funds are often the largest single source of income within these institutions' budgets, and have been for a long time. As one interviewee stated, "compelling arguments can be made that many fine arts and culture organizations have become overly reliant on public funding", a concern that has a wide range of implications (many of which will be explored here). The same study also showed that while government assistance over the reference period (1993 - 2003) increased by 27% overall, the percentage of government funding against all contributions had dropped from 85% to 63% (Bellavance, 2011).

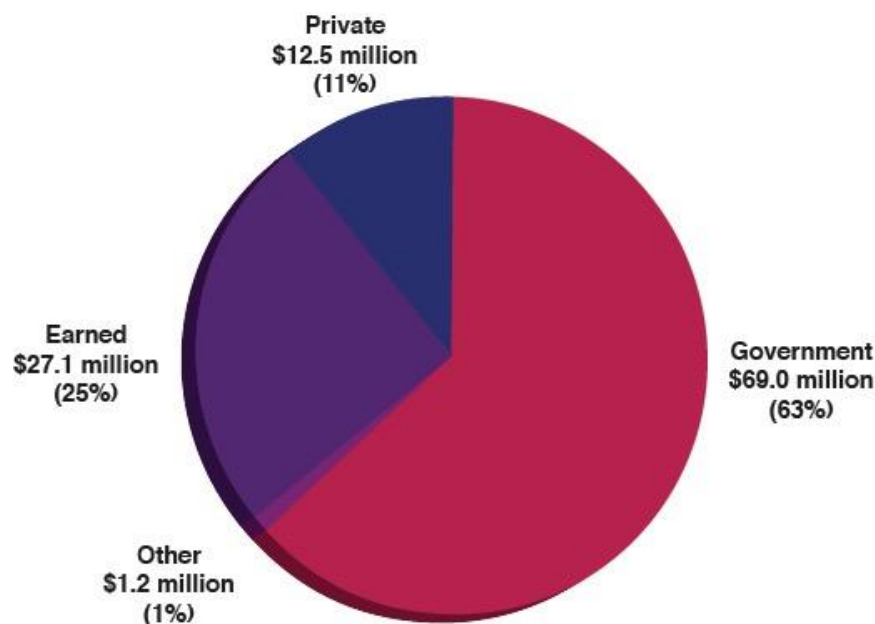


Figure 14 - Operating Revenues of 34 Ontario art Galleries, 2002/2003. Source - (Hill Strategies Research, 2005)

¹² It should be noted that the three largest institutions to participate in the study: the National Art Gallery of Canada, the Art Gallery of Ontario, and the McMichael Collection, generated 83% of the total income of the entire sample (\$109.4 million) (Bellavance, 2011).

¹³ Visual and performing arts alike

It is possible that the intention of government and public funding agencies may have been (at their inception) to fund arts enterprises in the belief that they will gradually find their footing and require a declining amount of subsidy over time and that this was the strategy for net-growth of the sector. However, in reality, it appears as though these fine arts and culture organizations will always require the same level of funding, and that this demand will grow over time as the organization grows (a reality that obviates the channelling of funds to newcomer organizations - to be explored later in this report). Canada has built a system where in order for our fine arts and culture organizations and practitioners to thrive and grow, the public funding system (as currently conceptualized) must grow with them.

As explored, public grants have been on the rise, but slowly, meaning that the number of arts organizations in Canada has been growing faster than available funds (Marsland, 2013). Essentially, during the early years following the Massey Commission and the rise of public subsidy of fine arts and culture in Canada, the founding of new fine arts and culture organizations was seen as critical to building a national infrastructure upon which the system could flourish and subsequently funding agencies focused on keeping these organizations healthy and growing (Sirman, 2014). This level of support also resulted in the establishment of new fine arts and culture organizations each year¹⁴, a rate of growth that public funding has not been able to keep pace with. The competition for the already scarce resources is steadily increasing, a situation that greatly inhibits the success of new entrants to the system as in many categories, funding is already allocated to incumbents. Amongst organizations already receiving funding, practitioners are having to devote more and more time to increasingly onerous grant applications and reporting processes as competition increases.

The Ontario Arts Council has not had a budget increase from the provincial government since 2009. This had put the organization into a \$8.3 million dollar inflationary hole which will grow to \$10 million by 2017 and places the OAC seventh out of the 10 provincial and territorial arts councils in terms of per capita spending. In that same period of time (2009 - 2016), requests for funding have increased by 53% in the province. In an attempt to address this unsustainable situation, the OAC announced in October 2014 that it would be reducing all operating and project grants with a 5% cut across the board, effective April 2015, for a total of \$2.6 million. The cuts applied to all 550 organizations that received OAC funding at the time (PASO Coalition, 2014).

¹⁴ Today, the Canada Council provides funding to upwards of 1000 organizations (Sirman, 2014).

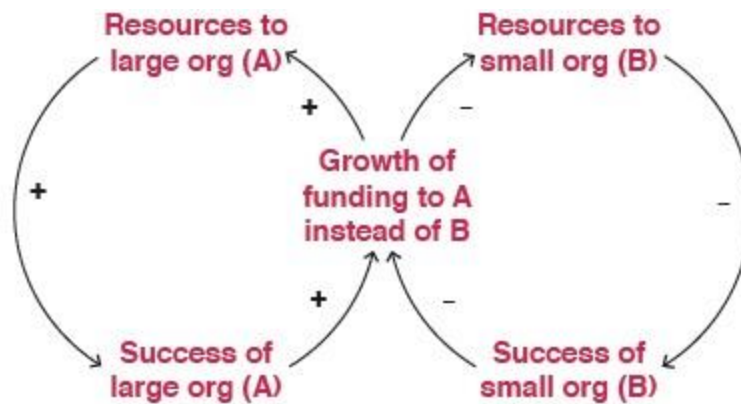


Figure 15 - Success to the Successful Archetype

The Success to the Successful Archetype states that if one entity (A) is allocated more resources than another group (B), A has a higher likelihood of succeeding. This is perhaps somewhat self-evident, but critically, the archetype hypothesizes that A's initial success justifies devoting more resources to A over B, further widening the performance gap between the two over time (Braun, 2002). Funding cuts to arts organizations exacerbates this archetype within the system as organizations are effectively punished for perceived underperformance by reducing their resources that would help them to resolve the source problems that resulted in the funding cuts in the first place. "The current performance of organizations may be a better reflection of the initial or starting conditions than their true ability or commitment to top performance" (Braun, 2002).

This situation is not unique to Ontario. In April 2016 the New Brunswick Arts Board (ArtsNB) officially received a cut of \$200,000 to its operating budget, which amounted to a 40% cut to the funds available for salaries and administration. In 2017 the government of New Brunswick is planning another \$200,000 cut and the administration of ArtsNB will be absorbed into the department of Tourism, Heritage and Culture (Sandals, 2016b). This amounts to a reversal of an increase of \$400,000 that the organization received over the preceding two years and jeopardizes the arm's-length process considered standard amongst government funding bodies. In June 2016 the Alberta Foundation for the Arts saw their Artists and Education budget cut from \$1 million to \$500,000 (dela Torre, 2016). Finally, the Prince Edward Island Council for the Arts was dissolved in August 2016 after their government funding was cut and they were no longer able to continue operations (Goodwin, 2016). The Canadian fine arts and culture system is largely dependent upon public funding and thus situations like the above ultimately weaken the entire ecosystem.



Figure 16 - Sarah Jones is a Saint John painter who posted this image to Twitter as part of the #makenoisnb outcry around the government's ArtsNB Cut. Photo: Twitter, via (Sandals, 2016)

Before breaking down this model further, there is an important consideration regarding the dominance of public funds within operational budgets that is itself a major stumbling block. A system that is so heavily reliant upon such a specific set of stakeholders (public funding/funders) creates very little incentive for anyone to speak up and question whether or not the system is working well, because they are all benefitting from it. Acknowledging that a particular component of the system may be hindering as well as helping is an important step in recognizing that there is need for improvement, but in order to address these issues there is a necessary dismantling of the status quo and there are few incentives for the existing stakeholders/beneficiaries of the existing system to do so in a meaningful way.

This issue also parallels another occurring as a result of the public funding system: it does not allow organizations to fail. It is common rhetoric for critics to simply state that the arts need only to adopt a more entrepreneurial attitude in order to thrive in the 21st century. However, fine arts and culture organizations have perception of a certain degree of safety within the public funding system, dis-incentivizing any sort of innovation that may move away from not only that model, but the particular confines of whatever grant is sustaining the organization in question. Yet in a healthy system of innovation and entrepreneurship practitioners are allowed to fail, learn from their mistakes, and then re-enter the ecosystem with stronger ideas and greater experience.

Simply put, you want people to fail, learn, and then move on to the best, most-likely-to-succeed idea as opposed to artificially subsidizing inefficient, ineffective, and/or dated business models and organizations that have no hope of financial stability away from their current level of government funding. This is made worse by agencies' tendencies to measure intentions (what is it that you are attempting to do) versus outputs, which is what the business world or capital markets use as a measure of success (did you produce something of quality and/or that people want).

This is particularly critical in a period of reduced government funding and/or reduced private support. Overall, regardless of what economic situation one finds themselves in, it is likely that obtaining donations will remain difficult, ticket prices increases will be obstructive, and public funding levels will not be guaranteed. Therefore, fine arts and culture organizations and practitioners are wise to continue to look for different solutions, yet this is a process that is gravely undercut in a system that does not encourage innovation.

Demographics and Audience Engagement

The fine arts and culture sector in Canada must work to address and mitigate the impact of the demographic trends outlined in the *Drivers* section of this report, both in terms of an aging audience and donor base and in the need to accommodate the interests of an increasingly culturally diverse population.

Considering these demographic trends as separate (although they are certainly linked), addressing the former first, as Canadians age, the future of the arts seems uncertain. Many long-established fine arts and culture organizations have acknowledged an aging audience base. If one examines this trend in isolation and in today's context, it is reasonable to resolve that it is not having a major impact on the sector at the moment. As one interviewee correctly argued, if one considers the reality of an aging audience, it must be acknowledged that this is the demographic thrust of the entire country (at the moment) and therefore the potential audience for organizations typically perceived as catering to older individuals is in fact growing. It is important for arts leaders to acknowledge that the percentage of the population considered senior citizens in the near future will be larger than it is today, and it could be argued that in the short term fine arts and culture organizations would be wise to cater primarily to this audience if they wish to increase the size of their audience. Additionally, it is feasible that as their time frees up, older Canadians who already have an interest in the arts may become more involved in the sector (cf. Jeffrey & MacKinnon, 2013). Subsequently, there is a re-imagination happening at the moment about how to attract this older demographic and engage this section of the population more wholly. Short term, this is not a poor strategy, and inclusiveness is not something that should be disregarded, however the sustainability of this model is called into question when one projects themselves 20 - 30 years into the future and asks who will be consuming fine arts and culture production and supporting these institutions if said institutions have not expended any effort to cultivate the next generation of audience members and donors. It is rare for individuals to simply become enamoured with the arts later in life if they have not been engaged while still in their youth. In an era of decreased arts education in the public education system, the importance of fostering children and younger generations by arts organizations is even more critical to the sustainability of the sector as a whole. John Warwick, an interviewee on the Board of Governors at the Shaw Festival emphasizes the significance of this, stating:

"It is unlikely you're going to get a donor who doesn't go and see your plays. We do have a few, but it is rare. Usually it is people who love the art, see the art, want to continue to see the art, and know that the ticket price does not cover the cost of productions."

The impact of this generational shift and the apparent difficulty engaging younger audiences is already being seen throughout the sector as reports indicate that as the current younger generations gradually gains influence within the sector, the percentage of devoted arts patrons seems to have declined (Miller, 1996). There are a multitude of factors contributing to this reality, many of which will be explored throughout this report, but for the time being it should just be stated that younger generations have shown to be less interested in attending many of the

fine arts offerings, for example classical music or proscenium theatre, and are giving less to traditional organizations (cf. Evans, 2016). Many venerated performing arts venues, for example, are seeing a significant drop in the number of season-ticket holders¹⁵. This is further compounding a trend of declining private sector support which is in turn exacerbating an issue of over reliance on a single source of revenue. If organizations are overly reliant on a small group of older donors and have not been able to effectively cultivate the next generation of arts patrons, what does the future hold once this particular group of donors is no longer giving?

This issue and its impacts across the sector is complex and while compelling, it is difficult for fine arts and culture practitioners to address. Institutions anxious about this trend have moved aggressively to diversify and broaden their audiences. The rise of young patrons programs across Canadian fine arts and culture institutions in recent years is an example of this; programs such as AGO Next at the Art Gallery of Ontario (est. 2010), the Young Patrons Circle at the Gardiner Museum (est. 2015), and the First Position Patrons Group at the National Ballet School (est. 2014). All of these groups cater to the under 40 crowd and are attempting to provide opportunities for that particular age demographic to meaningfully engage with the institution in the hope of cultivating future major gifts donors. Other organizations have shifted their programming in an attempt to cultivate a younger audience.

An aging population also has far-reaching implications in regard to workforce dynamics. In an analysis of 2001 Census information, Statistics Canada noted that “an aging workforce is not unique to Canada” but “what distinguishes Canada is the relatively large size of the baby boom generation and, therefore, the potential rapid exit of these aging boomers from the labour market” (Statistics Canada, 2003). Given that the fine arts and culture sector is one already struggling with a high-level of mid-career attrition (to be explored elsewhere in this report) the impact of this trend will be significant.

However, as discussed, age is only one side of the demographics coin: The varying interests and expectations of a culturally diverse population are extremely important. The fine arts and culture sector in Canada already struggles with a perception of exclusivity, something that is perpetuated when the diversity of the Canadian population is not reflected on and off the stage or walls of our fine arts and culture organizations. Unfortunately, there is a bit of a history of tokenism when attempting to diversify the fine arts and culture system in Canada, with efforts often focusing on diversifying the board to be more reflective of the communities in which the organization serves, or diversifying the donor pool (one interviewee spoke of their organization’s effort to diversify in the context of needing to tap into the wealthy Chinese business community). These are not inherently troubling, and in and of themselves are not harmful, but they are not addressing the root needs of the community these organizations are serving, bolstering a narrative of insincerity when it comes to meaningful inclusion of diverse communities in fine arts and culture. To clarify, and perhaps drive home the importance of diversifying our fine arts and culture institutions in Canada, consider the question from this perspective: if large parts of

¹⁵ Likely linked to the manifold increase in ticket prices mentioned earlier in this section.

Canadian society feel excluded from cultural practice, is that a central issue? It is difficult to argue against that. Recall that one of the main arguments utilized to convince people of the value of fine arts and culture is its inherent ability to bring communities together and share stories. If large parts of Canadian society are feeling excluded from cultural practices then this goal is arguably not being achieved.

Harkening back to the Massey Commission, one criticism of the report at the time was that it privileged elite, Anglophone, conservative culture at the expense of others. It has also been criticized for seemingly lumping all Canadians together and not considering the ethnic or geographic differences across the country.

“The irony in this is that with a population as diverse as Canada, if everyone was at the table the quality of artistic production would be sensational”

- Confidential Interviewee

This is systemically troubling because if one wishes to truly diversify on-stage content, for example, this means new commissions, radically different connections, as well as altering arts education and training to foster greater participation from communities not currently as engaged with fine arts and culture. If many fine arts and culture organizations are struggling to stay afloat, this critical task is perhaps all too often dismissed as not a priority.

Government agencies have made significant strides in soliciting communities that have previously been excluded from funding circles. The Canada Council recently announced their new funding model in which they have streamlined their grants programs from what was previously 147 different programs to six general ones, of which one is dedicated entirely to indigenous art, artists, and practitioners and in which all program officers will themselves be indigenous (Canada Council for the Arts, 2016)¹⁶. The Canada Council also recently announced that they would be accepting applications for funding in video format to help make the process more user friendly. This is only one example, but the various funding agencies and several prominent fine arts and culture organizations have been working to address this for decades, with varying success. However, having the funding agencies focus on outreach to previously underserved communities, while absolutely a correct priority, is strongly undermined by not increasing the allocation of funds to these agencies in preparation for the increase in applications that will come after these efforts.

In many cases, if one was to take a snapshot of the fine arts and culture sector in Canada and consider how this driver is impacting the organizations operating within this industry, the situation is certainly manageable for many institutions at the moment in that it does not seem to be impacting their bottom lines. However, once these demographic trends begin to really take hold, it is unclear how Canada's fine arts and culture organizations will contend. Further, organizations should ask themselves “what is our goal” because for many, if that goal is to produce and/or disseminate meaningful content enjoyed by a large percentage of the population, many are missing the mark.

¹⁶ The Truth and Reconciliation Commission recommended just such an increase in Canada Council support for indigenous culture (Smith, 2015).

The Impact of Technology

Technology should be viewed as an opportunity more than anything else in that it presents new possibilities for expanding and diversifying audiences, reaching new markets, diversifying revenue, enabling greater experimentation within practices, and facilitates artists in distributing their own work to audiences directly (Jeffrey & MacKinnon, 2013). This capacity for interactivity and outreach associated with the digital technologies is transforming organizations' and artists' relationships with their audiences. In the museum world, interactive displays and objects are the natural progression of the various interactive exhibits already on display within museums. 3D printing technology, "Internet of Things", or IoT, as well as Machine to Machine (M2M) technology are all primed to facilitate this. Leveraging these technologies also presents an opportunity to "transcend the exterior walls by linking to information about objects and locations outside the museum and gathering information about how people use the neighborhood surrounding the museum" (Jeffrey & MacKinnon, 2013). Technology has also greatly changed how fine arts and culture organizations market themselves to the public. Compared to traditional marketing methods, such as radio and television ads or direct mail campaigns, with the internet marketers have been able to deliver a great deal more content at a much lower cost. "While the loss of subscription revenue has increased the costs of programmatic marketing, computer technology has helped minimize the damage" (Kaiser, 2015).

However, many of these new digital models often come with the expectation that the content is provided free of charge. Canadians have already seen how the internet, for example, has wreaked havoc on other cost-intensive content creators, such as publishing, broadcasting, and newspapers. Many of the traditional business models employed by the sector are seeing their underlying framework disrupted by this trend, which is, in some cases, causing significant problems. David Byrne, of *Talking Heads* fame, voiced his exacerbation with the sector's struggle with technology, stating "it seems to me that the whole model is unsustainable as a means of supporting creative work of any kind. Not just music. The inevitable results would seem to be that the internet will suck the creative content out of the whole world until nothing is left" (Tapscott & Tapscott, 2016).

Technology has also introduced a huge amount of new entertainment offerings. The amount of online and television entertainment content has exploded, and this has happened in tandem with the rise in ticket prices and admission amongst fine arts and culture organizations (Levin, 2015). YouTube alone provides access to hundreds of thousands of performances of all types (Kaiser, 2015). Michael Kaiser touches on this in his most recent publication, stating "When you say I can watch something online for free or for a modest amount, or pay \$100 to go to a live performance, that's become a very difficult choice for a lot of people" (Kaiser, 2015). On one level, the consumer in Kaiser's example is still paying for content in that they are paying the provider of access to that content (their internet provider, as well as content platforms such as iTunes or Netflix) so what has fundamentally changed is the economics of content production and distribution which has created new means through which consumers are able to access content, access to which they are willing to pay. So, while popular opinion states that online content comes with the expectation that it is provided for free, people are still paying for this

content, they are often just paying less. A counterpoint to the negativity surrounding the ubiquity of digital platforms and models is that technology allows for a much wider content distribution and if the technology can help to minimize the reproduction and delivery costs of this content, there is revenue to be generated from the large number of people content generators could potentially access (A lot of people sign up for Netflix). When there is meaningful content, people are still willing to pay for it.

To put all of this in context, consider the evolution of public art museums. Public art galleries began cropping up in earnest in the 18th Century as many private collections were nationalized and opened to the public (cf. Angel, 2013). For example, the Bavarian Royal Collection (now in the Alte Pinakothek in Munich) was first made accessible to the public in 1779, the Medici collection was made public in Florence in approximately 1789, and The Musée du Louvre opened during the French Revolution in 1793 as a public museum showcasing the former French royal collection ("Art museum", 2016). Suddenly, what was only accessible to the nobility, the public could come and see. The philosophy of these new institutions became 'put the work up, and the people will come'. The institutions became very focused on building the best collections possible for public display, a strategy still widely employed within the sector today.

"When the Canada Council was created in 1957 the assumption was that Canadians already had an appetite for music and dance and theatre and literature, but that something needed to be done to ensure that what was on offer spoke to the Canadian experience – was made in Canada by Canadians. More Canadian product was seen as being in and of itself a good thing, and if you built it, they would come" (Sirman, 2014).

Unfortunately, this model is not performing in the 21st century as it once did. There are simply too many other forms of entertainment that the fine arts find themselves competing against. While the offerings of the sector have greatly expanded, consumption and participation rates have not grown in tandem. And yet, arts organizations are not fully embracing new technology.

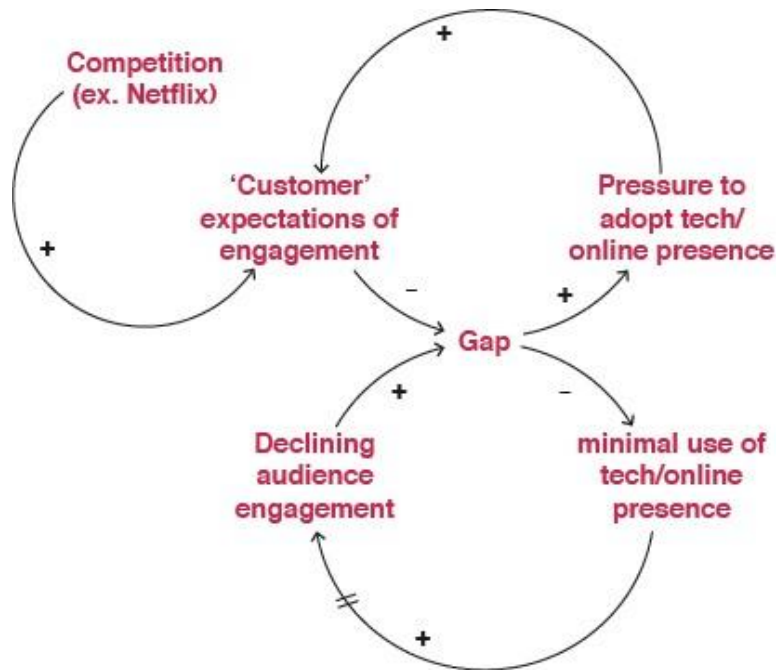


Figure 17 - Modified Eroding Goals Archetype

Eroding Goals is an archetype that addresses the dynamic tension between symptomatic solutions and a fundamental one. This archetype states that the gap between a goal and reality can typically be resolved in two ways: by taking corrective action to achieve the goal, or by lowering the goal (Braun, 2002). Implicit in this is the assumption that when the goal is lowered to close the gap, performance will deteriorate over time. In this case, the feedback loops have been slightly modified to accommodate the situation at hand, but the sentiment remains the same. When viewing this map, consider the wider definition of culture mentioned in the Preamble. Technology fuelled competition (ex. Netflix) is near ubiquitous, increasing 'customer' expectations of engagement from institutions across the sector

The impacts of this driver are actually very linked to the impacts driven by the demographic changes Canada is undergoing. Better embracing and integrating technology into Canada's fine arts and culture institutions could assist in alleviating the sense of exclusivity that hinder arts engagement for many individuals. This will be explored in an upcoming section, but trends such as the way younger generations incorporate technology into their lives and how that precipitates a significant shift in patterns of engagement may become more pronounced over time. Canadians are increasingly accessing the arts through different forms of technology (LaPlaca Cohen - Campbell Rinker, 2014) and live and virtual experiences are converging through smartphones and social media (Jeffrey & MacKinnon, 2013). Technology is rapidly changing the realm of audience engagement and the sector will need to make changes in order to keep up.

The (Non) Viability of a Career in Fine Arts and Culture in Canada

A major study by the Illinois Arts Alliance Foundation titled *Succession: Arts Leadership for the 21st Century*, remarked:

“The nonprofit arts have thrived in the past three decades largely because a generation of arts workers accepted low wages for the non-pecuniary rewards of working in the arts. This discounted labor has been cited as a crucial source of capital for the nonprofit arts sector. It may be that this crucial source of support is now being threatened by recent economic and cultural changes affecting all non-profit arts workers. Often facing a high urban cost of living and heavy student loan debt, potential nonprofit arts workers entered a booming new economy in which for-profit corporations offered high salaries and encouraged creativity and nonconformity in ways that used to be more unique to the arts world” (Illinois Arts Alliance Foundation, 2002).

The sector has become dependent on discounted labour, a reality within cultural communities across the globe.

According to a 2009 study based on 2006 Canadian census data produced by Hill Strategies Research¹⁷ the median revenue in Canada at the time was \$26,000, but the median revenue of arts professionals was \$12,900. This median income is so low that it is in fact 36% below the low income cutoff (LICO)¹⁸ figure at the time of \$20,800 (Capriotti & Hill, 2009). Regarding arts administrators specifically, according to the *National Compensation Study*¹⁹, which was updated in 2009 for management and administration in not-for-profit arts organizations and produced by Deloitte for the Cultural Human Resources Council, “arts organizations continue to lag behind the general not-for-profit sector and comparative industries in many areas of compensation and benefits representing an ongoing real challenge for recruitment and retention”. The study adds that “organizations with an operating budget of under \$1,000,000 (making up 75% of the respondents of the study) are working with very limited resources, helping to explain why one of the most commonly stated organizational challenges in the study was understaffing combined with overwork” (Deloitte and Touche, 2009).

¹⁷ This study identified nine categories of artistic professions: actors and comedians; crafts persons; visual artists (painters, sculptors and other visual artists); authors and writers; conductors, composers, and arrangers; dancers; musicians and singers; other performing artists; and producers, directors, choreographers and assimilated staff.

¹⁸ LICOs are established by Statistics Canada and is an income threshold below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing than the average family.

¹⁹ In October and November of 2008, 218 organizations within the not-for-profit arts sector participated in this comprehensive compensation study. The study focused on 21 benchmark management and administrative positions, and gathered data on base salary, employee benefits and perquisites, as well as a number of other human resources issues (Deloitte and Touche, 2009)

This means that to all but a select few - those willing and able to accept wages significantly lower than the median - a career in fine arts and culture may not be a viable option; a fundamentally inequitable situation.

When one considers the above situation through the context of the increased complexity of work within nonprofit arts organizations today, the situation is stark. Altogether, arts and culture leaders are contending with stressful working conditions, low pay, inadequate professional development, challenges with governance, and a general lack of succession planning.

The Illinois Arts Alliance Foundation study goes on to address this as well, stating:

"These organizations have to please a wider set of constituencies, scramble for more competitive grants and donations, answer to more funders' expanding sense of accountability, keep up with technological change, and compete with commercial culture for audiences. It seems reasonable that the more demanding and professionalized nonprofit work environments become, the less potential employees have to accept lower nonprofit salaries..." (Illinois Arts Alliance Foundation, 2002)

As a result, the burnout rate amongst fine arts and culture leaders is high, and subsequently mid-career attrition is a major problem within the industry. We expect an extraordinary amount from our arts and culture leaders, and yet they are typically offered a fraction of the support structures in place for leaders in the private sector that speaks to a devaluation of arts and culture managers within society. A 2003 report prepared for the Chalmers Conference of The Canadian Conference of the Arts published a letter from a leading Canadian philanthropist with a long history of experience as a volunteer in both large and small arts organizations"

"There is no question that we expect an extraordinary amount from our Executive Directors. Thirty years ago their job was to manage an organization. Now they have to be fundraisers extraordinaire, out every night schmoozing with potential sponsors and donors, government lobbyists, meeting and stroking civic, provincial and federal government funders, labour specialists, negotiating extraordinarily difficult contracts with well-organized unions, capital campaign experts, operations and facilities mavens, not to mention full-time meeting attenders for the dozens of committees of the Board. And, they have to do this for half or a quarter of the sum that would be paid to someone in the private sector world, with half or a quarter of the staff! It's all quite depressing when you think about it and really amazing that anyone survives" (Harvey, 2003)

This paints a picture of a sector that is struggling to attract new, qualified workers, is not equipped to retain senior management, and unaligned around its goals and objectives in regards to succession planning.

Further aggravating this is the often ad-hoc nature of career progression within the sector. Perhaps as a result of long-term financial constraints, or perhaps something else, the org charts within many fine arts and culture organizations have flattened, meaning that what would

typically be considered “middle-management” roles have been eliminated. The cumulative effect at play here is creating a retention crisis in the sector. This scenario can be neatly illustrated by a systems map, Figure 11.

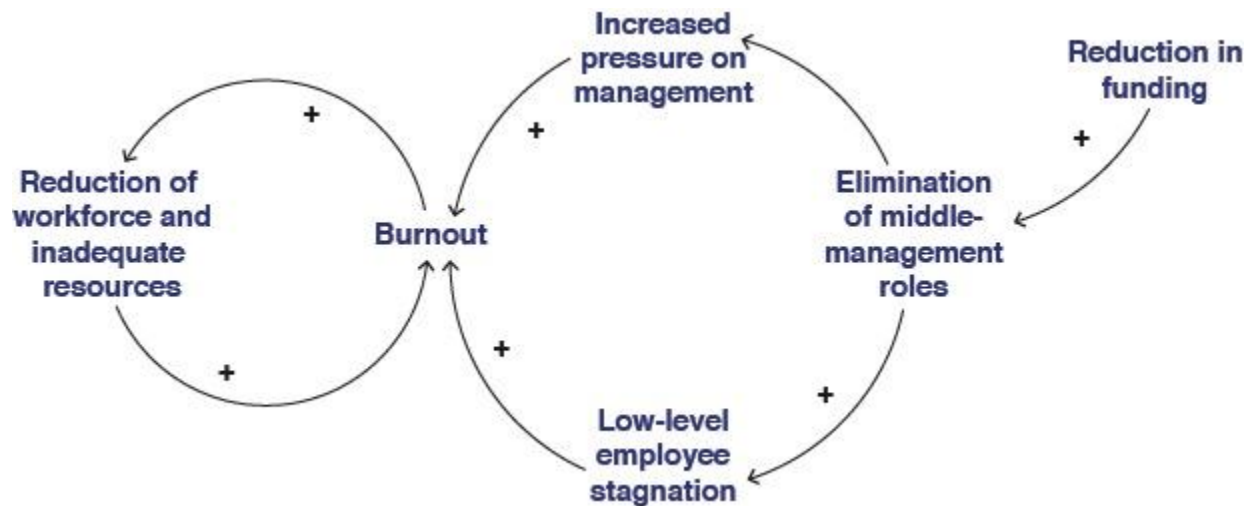


Figure 18 - System Map Showing Impacts of Flattened Organizational Chart

The above system map neatly illustrates the impact of a flattened organizational chart. There is a limit (“Reduction in funding”) that is influencing the rest of the system being examined in that it is leading to the reduction in middle management roles sector wide. This is having the dual impact of both increasing pressure on management within as well as contributing to lower-level employee stagnation as there are fewer clear pathways towards management roles within their own institutions. Both of these realities jointly contribute to burnout across the sector which sits inside its own reinforcing loop, both causing and being caused by a reduction in the greater workforce.

The following is a common narrative: young people excited by the arts looking to start a career in fine arts and culture manage to secure a position at a mid-sized arts organization where they are severely underpaid compared to their peers in other sectors (even when compared to other not-for-profit industries). The stress level is high, expectations are huge, but they hold out for a few years, eventually realizing that there is no path to progress out of their current roles within their organization so they eventually leave to work in other not-for-profit disciplines that are better resourced²⁰. This is untenable, in particular if one believes, as this author does, a problem with leadership needs to be addressed at all levels of the system, from the point of entry and onwards.

The insidiousness of this particular challenge can be further illustrated by applying a system archetype, as has been done in Figure 12, below.

²⁰ See Appendix 3 for a copy of Andrew Berardini’s May 2016 article in Momus titled *How to Become a Curator* for a humorous yet all too common version of this narrative.

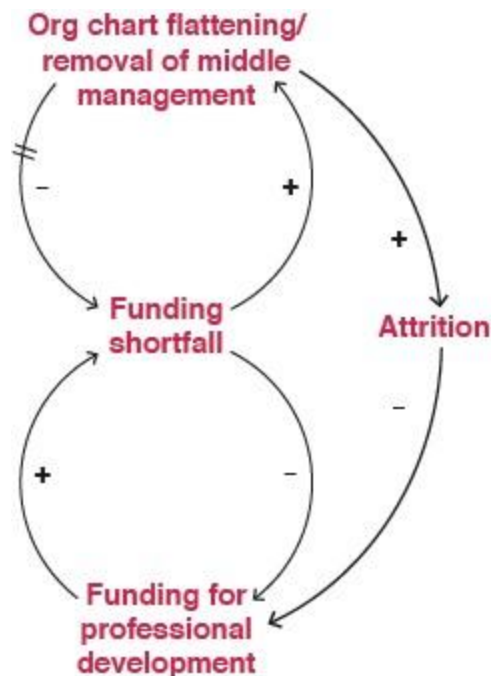


Figure 19 - Shifting the Burden Archetype

Shifting the Burden is one of several archetypes that demonstrate the tension between the attractiveness of symptomatic solutions (in that they are typically comparatively easy to implement) to visible problems over more fundamental solutions aimed at the underlying structures that are producing the problem (cf. Braun, 2002). The key assumption of this archetype is that once the symptomatic solution has taken effect, there is less perceived need to address the fundamental, underlying systemic problem. The elimination of middle management roles within the sector is an example of the *Shifting the Burden* archetype. Attrition is the unintended side effect of org chart flattening - the symptomatic solution to long-term funding shortfalls. Externally, for the most part, the problem of funding shortfall has been resolved as the quality of production has not been impacted, but this has happened at great cost to both the organization in question (internally) as well as the system as a whole, exacerbating the retention crisis in the sector.

Over the past approximately 18 months, there have been a number of high profile international hires for top arts and culture positions in Canada (Tim Carroll at Shaw, Joshua Basseches at the Royal Ontario Museum, Stephan Jost at the Art Gallery of Ontario, Anthony Sargent and Josephine Ridge, Director and Artistic Director of the Luminato Festival, and Ian Desjardin as the Director of the McMichael Canadian Art Collection) (Taylor, 2016). These hires in and of themselves are not problematic and could be interpreted as speaking to the strength of fine arts and culture if the country is able to attract top talent from other sectors. However, when criticism did arise towards these international hires, the organizations often defended these decisions by stating that there are just not enough good arts leaders/administrator in Canada, that the talent

pool is just too shallow. If this is true, it serves as evidence of the retention problem playing out in the industry²¹.

This reality raised a number of important questions:

- How can we facilitate the development of future arts leaders?
- Can we ensure there is an adequate pool of future arts leaders in Canada?
- How can present and future arts leaders be best supported in achieving their full potential?
- How can we improve the chances of success of those entering the sector workforce?

This is something is a hidden problem within the industry as organizations struggle to maintain the high quality of production, but often this is done at a cost internally. Organizations without consistent leadership suffer, and a system within which only the privileged are able to succeed, where career advancement opportunities are few and far between and practitioners are rarely able to learn from other disciplines and strengthen their capacities is not a resilient one.

²¹ Most interviewees who were posed this question stated that this trend was both the result of inadequate efforts to develop new arts leaders within fine arts and culture institutions as well as the existence of a sort of cache associated with international hires.

Exclusivity

"We have a responsibility as major institutions to demonstrate our relevance to the broadest possible community because if I have to rely on only people who love ballet to support the National Ballet of Canada, the future is going to be really challenging" - Barry Hughson (Horvath, Hughson, Vandemeer, Lamb, & Rittinger, 2016)

On October 24th, 2016, Tom Power, previously the host of CBC's *Radio 2 Morning* and *Deep Roots* took over as the host of the CBC's flagship radio program *q* (CBC, 2016). Prior to his arrival, Matt Galloway, host of the CBC's radio 1 *Metro Morning* interviewed Power about his new role. During the discussion, Power, speaking about his love of the arts and moving to Toronto, said in the interview:

"I know when I first moved here... I didn't feel like I was allowed to go to the [Art Gallery of Ontario]. I can't tell you why, but I just felt like when I would walk past it, it just felt like someone who came from folk music and banjo music and fiddle music, it just felt like that wasn't for me, like that just wasn't my place to go" ("Metro Morning", 2016).

Tom Power is an award winning Canadian broadcaster and musician who is the current host of the CBC's flagship arts and entertainment program. The fact that even he feels discomfort within certain aspects of fine arts and culture - namely within one of the largest fine arts institution in the country - is indicative of a problem. To make matters worse, Powers is arguably part of a relatively privileged group of society, so his discomfort also speaks to the potential for more marginalized communities feeling unwelcome within Canada's fine arts and culture institutions.

It is common practice for companies to produce luxury products, whether it is cars, fashion, watches, champagne, or consulting services. Within this model, the fact that some members of the public can afford these products or services while others cannot is seen as a strength as it reinforces the perception that access to these products and services is a statement of wealth and achievement. There is nothing inherently wrong with providing 'upmarket' products and services and by extension one could extrapolate that there is nothing intrinsically wrong with marketing fine arts and culture as such (cf. Costantoura, 2001). There is a fine line though between elite and elitist, which is what the sector is struggling with. While there are some benefits to targeting 'upmarket customers', such as an ability to sustain higher ticket/admission prices, these benefits come at the expense of other goals, such as volume, reach, and popular support (Costantoura, 2001). To grossly oversimplify the equation, as an organization aligns its image with an 'upmarket' crowd, most organizations will see an overall decline in 'customers' as the "lower value" customers disengage. The goal in this situation is to find a point of balance where revenue is maximized (cf. Costantoura, 2001).

Again, there is nothing inherently wrong with this approach, but the ethics in adopting this strategy is called in to questions when organizations receive public funding - one must consider the perspective of the taxpayers; how do they benefit? This conversation is also a practical one

as the sector will have difficulty currying favour with taxpayers by convincing them that they are benefiting from the arts if they themselves perceive of the benefits of the arts disproportionately going to the particularly privileged sections of the population.



Figure 20 - Image of Chris Curreri's artwork, installed. Image courtesy of Daniel Faria Gallery

BARRIERS TO ATTENDING CULTURAL ACTIVITIES: OVERALL TRENDS

Question: What are the barriers, if any, that prevent you from attending cultural activities

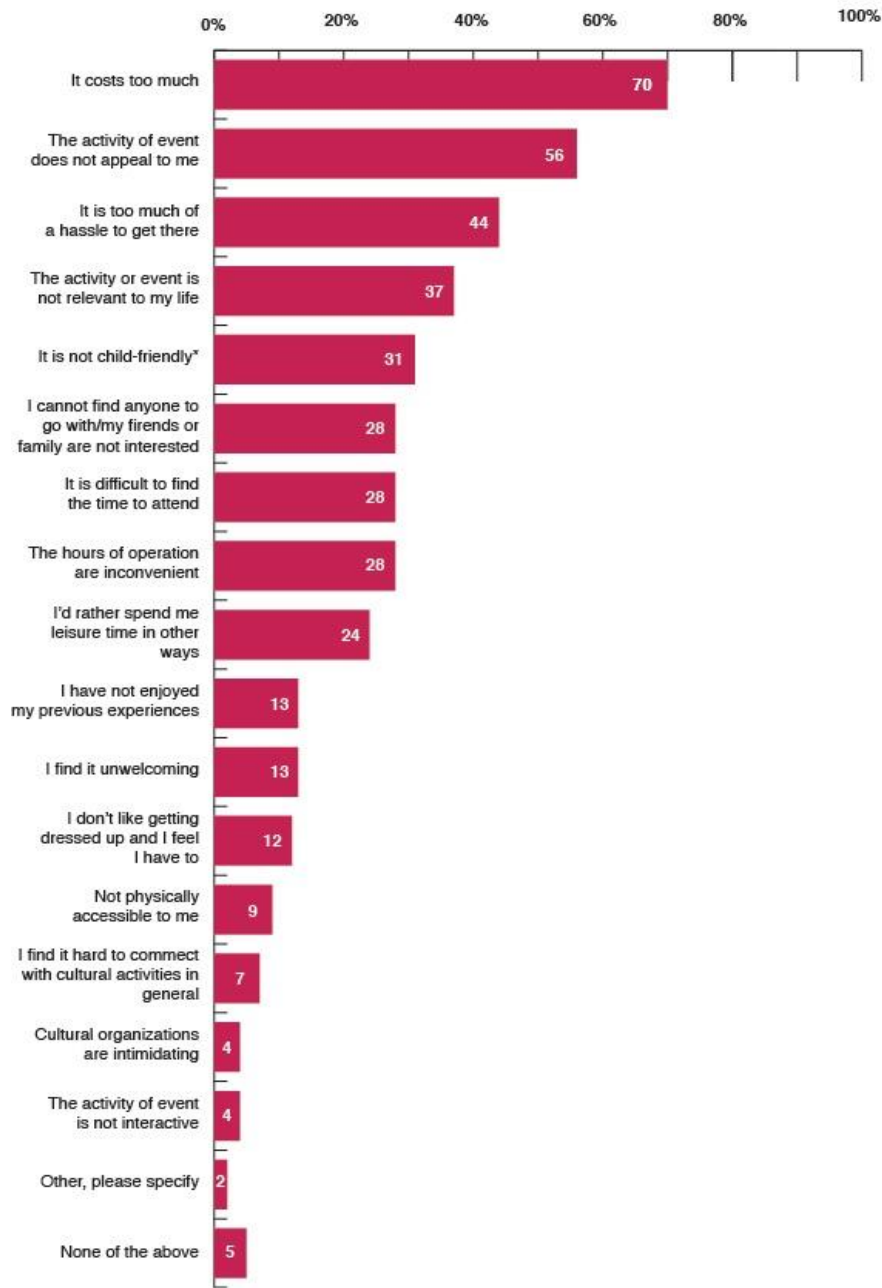


Figure 21 - Results from Culture Track Survey.^{22 23} Source - (LaPlaca Cohen - Campbell Rinker, 2014)

²² Culture Track is the largest study in the United States focused exclusively on the ever-changing attitudes and behaviours of U.S. Cultural consumers. One of the questions posed in the survey was "what are the barriers, if any, that prevent you from attending cultural activities?" The top stated reason is that "they cost too much". While this is a survey from the U.S. and we experience different economic conditions here in Canada, the sentiment is applicable in this country as well. (LaPlaca Cohen - Campbell Rinker, 2014)

²³ The study was conducted using a U.S. wide online survey with 4,026 respondents, all over the age of 18. The study has a +/- 1.6% margin of error. However, there will be some imprecision when attempting to correlate these results directly with this study as Culture Track defines cultural experiences as participation to zoos, botanical gardens, aquariums, science museums, and history museums on top of the other practices being referred to as fine arts and culture in this report.

In 2015, Fall For Dance North (FFDN) debuted in Toronto. The organization, which is modelled off of the highly successful Fall For Dance in New York, is a three-day festival that brings in a diverse mix of some of the world's best dance companies to perform in Toronto. The whole premise of the festival is to try and reach new audiences by offering programs of top-notch diverse dance companies (the best and the brightest, according to the organization) for a \$10 ticket price. The festival in its inaugural year sold all three nights of the run, totaling nearly 10,000 tickets²⁴. Similarly, Nuit Blanche, a free all-night contemporary art event held in a variety of Canadian cities attracts staggering crowds. The model for Nuit Blanche was launched in 2002 in Paris, coming to Montreal shortly after in 2004. In Canada, Toronto, Winnipeg, Calgary, Ottawa, Halifax, Edmonton, Saskatoon, Kamloops and Charlottetown have all held the one-night-only public art celebration (Sandals, 2014). Nuit Blanche Toronto, which has run in Toronto since 2006, had an estimated attendance in 2015 of one million people, including 205,000 out-of-town visitors ("Nuit Blanche Toronto", 2016). While this model has seen its share of criticism²⁵, attendance numbers like that clearly demonstrate that the city of Toronto has an appetite for contemporary art. The event drew record crowds in other Canadian cities as well - Nuit Blanche Edmonton in 2015, its inaugural year, reported over 50,000 attendees, Nuit Blanche Winnipeg attracted 17,000 attendees in 2014, Nuit Blanche Saskatoon saw over 10,000 attendees in 2016, its third year²⁶. People clearly want the opportunity to engage with art. Given the financial pressures seemingly constantly facing the sector, the ability of the sector to offer a range of experiences to invite the participation of all Canadians will have a strong correlation with its resiliency²⁷.

It should be noted that many forms of art practices themselves might seem specialized or obscure. Bob Sirman addresses this in his 2014 presentation at the 6th World Summit on Arts and Culture in Santiago, Chile, stating "without a guide, the average person can easily find him- or herself lost in the intricacies of the art world, and a single exposure is rarely sufficient in and of itself to generate repeat visits" (Sirman, 2014). One could also argue that there is a snobbery within the system towards what would be considered 'populist' productions, further aggravating this issue of exclusivity. But as demonstrated by both Fall for Dance North and *The Dreamers Ever Leave You*, elite productions can still be accessible to large, diverse audiences.

²⁴ Fall for Dance conducted an audience survey which the artistic director generously shared with this author. The results revealed that the 30 - 45 age group represented 33% of attendees, or the largest percentage of attendees.

²⁵ *Toronto Star* critic Murray Whyte expressed ambivalence about Nuit Blanche, stating "My feeling on these things is split right down the middle, in that there's something obvious and good about something labelled as an 'art event' that can draw a million people and nominally shatters the notion of art being a rarefied pursuit; but at the same time, an event that prioritizes splash and spectacle and ephemerality at that scale seems like a tremendous waste of resources that could be funnelled into a broader, sustainable strategy to install an awareness of contemporary art in the more general cultural landscape long-term" (Sandals, 2014).

²⁶ All figures in this sentence were gathered from each city's Nuit Blanche website.

²⁷ Attendance numbers reported in this paragraph come from the respective cities' Nuit Blanche websites: Saskatoon - <http://www.nuitblanchesaskatoon.ca/#nbyxe16>; Winnipeg - https://mb.culturedays.ca/assets/provinces/mb/Culture_Days_Manitoba_Media%20Release_Recap_Oct%202.pdf?1443820808; Edmonton - <http://nuitblancheedmonton.ca/what-is-nuit-blanche/>

All of this, coupled with the difficulty of articulating the intrinsic merits of something so visceral are impacting the ability of the sector to “make its case”. However, at the heart of this issue is pragmatism. Fine arts and culture in Canada can only flourish if the public sees value in them, and if public funders see arts investment as a public good. That is a central value proposition of the sector, and one that is undermined if, again, large sections of society do not believe that arts and culture is for them.

“The arts cannot be seen as privileging the few, but benefiting everyone” (Sirman, 2014)

Inequality Between Large and Small Organizations

In their report for the Ontario Arts Council, Jeffrey and MacKinnon reference another report conducted by researcher Holly Sidford titled *Fusing Arts, Culture and Social Change: High Impact Strategies for Philanthropy*. While the Sidford report was based on American data and was focused predominantly on granting by private foundations, the findings in the report resonate with the Canadian system nevertheless. Within the report, Sidford makes a case for “rebalancing the distribution of arts funding, based on the premise that current grant making disregards large segments of cultural practice, and by extension, large segments of society” (Jeffrey & MacKinnon, 2013). While this report is clearly speaking to demographic trends within the sector, Sidford attributes this situation to an inequality between large and small organizations, stating:

“...the majority of arts funding supports large organizations with budgets greater than \$5 million. Such organizations, which comprise less than 2 percent of the universe of arts and cultural nonprofits, receive more than half of the sector’s total revenue. These institutions focus primarily on Western European arts forms, and their programs serve audiences that are predominantly white and upper income. Only 10 percent of grant dollars made with a primary or secondary purpose of supporting the arts explicitly benefit underserved communities, including lower-income populations, communities of color and other disadvantaged groups” (Jeffrey & MacKinnon, 2013).

As the arts ecosystem becomes gradually more and more dense over time, resources are stretched more and more thinly across primarily incumbent organizations. This heightens the ability of existing large, mature and already best financed fine arts and culture organizations to produce new work, mount major exhibitions, produce large-scale marketing campaigns, attract patrons, and ultimately broadcast their work to larger audiences advantaging them even further over small, less resources organizations. This means that these less resources organizations are struggling at a disproportionately high level relative to the incumbents.

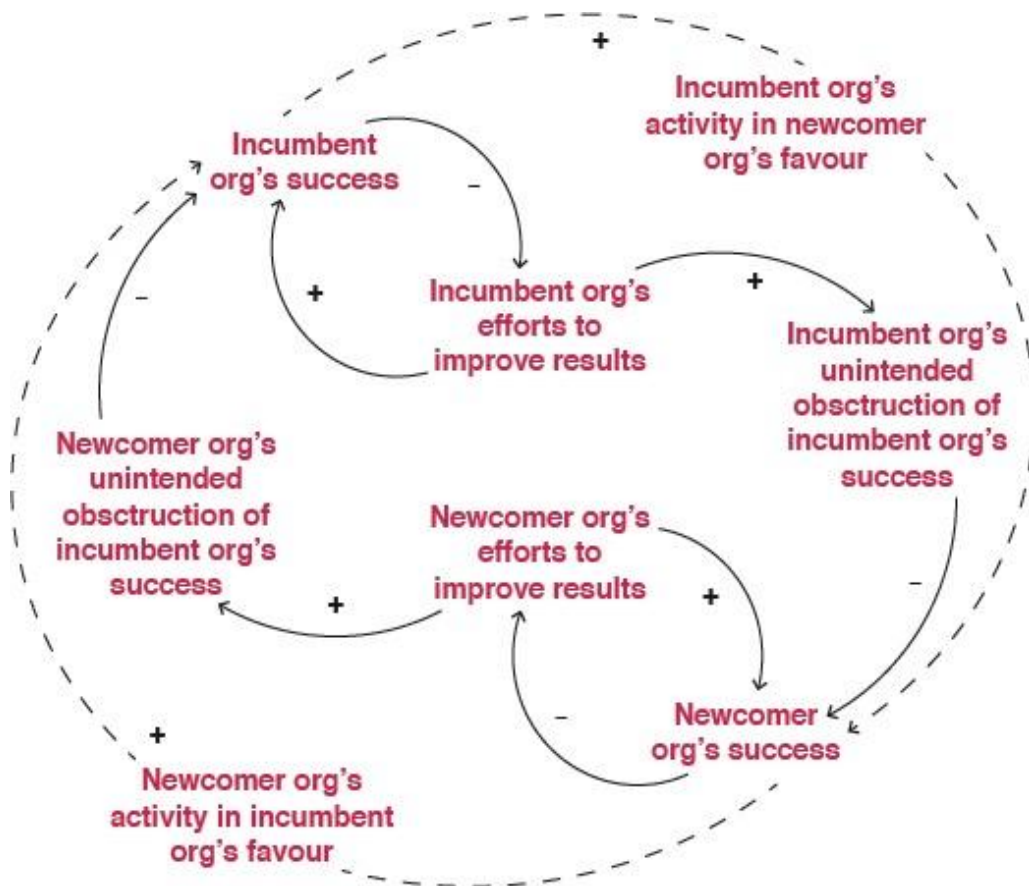


Figure 22 - Accidental Adversaries Archetype

Parties in the Accidental Adversaries archetype begin their relationship with mutually beneficial goals and objectives (a rising tide floats all boats) with the objective of accomplishing together what could not be achieved separately (Braun, 2002). When the parties working towards a common goal (the dissemination of fine arts and culture products) are placed in an adversarial relationship, the intended relationship is eroded. "If mental models fuelling the deteriorating relationship are not challenges, all parties may lose the benefits of their synergy" (Braun, 2002). In a system that unintentionally favours incumbent organizations, the incumbents and newcomers are pitted against each other in competition for inadequate resources, undermining the strength of the system as a whole and preventing the benefits of collaboration.

Simply put, there are not enough resources within the system to make it feasible for most individuals to establish "fully independent, adequately capitalized" organizations (Marsland, 2013). This is creating a sort of generational divide in the sector as newcomers are pitted against incumbents for funding and patrons. Simultaneously, said incumbents are seeing their long standing grants cut back as funding agencies seek to address this problem and accommodate new entrants to the market (cf. Marsland, 2013). If SMB organizations begin to disappear, the diversity and experimentation crucial for a thriving arts and culture sector will also

diminish (cf. Kaiser, 2009), intensifying and being intensified by a variety of other challenges the sector is already facing.

One of the challenges already explored that is both contributing to inequality and being exacerbated by it is that of low wages within the sector. Inequality between large/mature/incumbent organizations and small/less mature/newcomer organizations further bifurcates salaries for arts leaders (Kaiser, 2015). While this report has argued that the entire sector is suffering from low incomes compared to other industries, the incomes at smaller arts organizations, who are disproportionately struggling for funds, can be staggeringly low. If smaller organizations find that they are unable to retain the best arts leaders, who are moving to larger organizations, they suffer greatly. Further, you can't have all of the talented arts leaders at a handful of organizations if the goal is a strong ecosystem of arts and culture. Another knock-on effect is that it promotes competition between organizations and art forms in the pursuit of limited public resources. Organizations focused on protecting and preserving their share of the pie (if you will) erodes the value of conversations about sectoral evolution (cf. Litzenberger, 2013).

Most importantly though is the prospect of losing small arts organizations while larger, more established organizations become increasingly dominant, the effects of which would ripple across the entire ecosystem. Small arts organizations play an important role in supporting emerging artists, new and perhaps challenging work, and are often sources of new ideas within the larger sector. Losing this piece of the greater puzzle would greatly undermine sectoral resiliency. Additionally, the sector becomes less competitive with other forms of entertainment that embrace and nurture new artists, technologies, and ideas (Kaiser, 2015).

Ultimately, the system faces a dilemma where funding programs have been established that encourages growth, resulting in a burden of dependency that inhibits new investment in fine arts and culture upstarts and programs. Despite the existence of funding mechanisms designed to foster new arts enterprise, the incumbents consume the majority of these resources, which discourages change and growth across the system.

New Models Within the Sector

“Rethinking the fundamentals of how a business creates and captures value wasn’t a priority in an era of slow change and stable industries, but during a time of rapid convergence of enabling technologies, customer desires, and business ecosystems, it now must be” (Deloitte Development LLC, 2016).

When speaking about innovation in the arts, most people default to discussing artistic innovation and there is little conversation about business model innovation. Not many fine arts and culture organizations have seriously explored alternative models or ways of operating, even if these models are prevalent in the private sector. Many believe that innovation is driven by competition. It is a common sentiment within the sector²⁸ that while the fine arts and culture sector is hugely competitive, there is little innovation because there is little incentive for arts leaders to innovate away from a model that provides their largest source of revenue and that the public funding system is (to a degree) hindering innovation and entrepreneurship.

The public funding system has been set up in a way that supports and encourages the establishment of independent, charitable institutions (Litzenberger, 2013). The old narrative was that funding to arts organizations was established around ensuring institutional stability and often times a building that would provide long-term support for the organizations it was housing. Stability of this sort was often the primary pursuit, and to support this

“Many people say that the arts sector is incredibly creative. I’d agree, but it has not proven to be highly innovative or adaptive organizationally. Creative thinkers are crucial for innovation to be possible, but they are not enough. Innovation requires groups of people to work together, often across well-established boundaries, beyond hierarchies, outside the organization in some cases, in order to turn ideas into feasible new pathways and higher levels of impact” (Evans, 2013)

desire organizations typically incorporated as charitable, not-for profits in order to access the government funding that allow them to establish themselves. As previously stated, this mentality has led to the construction of an enviable network of arts and culture organizations across the country (Marsland, 2013). However, this model is predicated upon a growth paradigm that is no longer sustainable²⁹. This, coupled with the impact of sectoral growth so vastly outpacing funding growth, has resulted in a situation where the common goal of establishing and growing a sustainable organization with government money, the model tacitly encouraged by the public funding system, is no longer viable for many newcomers.

Robyn Jeffrey and Elizabeth MacKinnon also touch on this in their 2013 report for the Ontario Arts Council, stating:

²⁸ This arose during both primary and secondary research

²⁹ funders invest in professionally run organizations which are rewarded for gradually expanding their operations (cf. Litzenberger, 2013; cf. Evans, 2016)

Although the current not-for-profit model enables organizations to apply for government funding, some (particularly new generation arts organizations) are questioning whether or not the “cost” is worth it. Amendments in federal and provincial legislation, for example, are all increasing compliance pressures on not-for-profit organizations. This, along with trends in social innovation—which emphasize the importance of diversity, cross-sectoral and cross-disciplinary collaboration, shared resources, and adaptation to change—are giving rise to new organizational models, including Indigenous governance models. Like other trends, this shift presents both opportunities and challenges for the sector. For funders, for example, new not-for-profit models may not fit within existing structures and assessment/reporting practices that emphasize and encourage signs of stability (Jeffrey & MacKinnon, 2013).

Today, innovators within the sector are experimenting with more collaborative, flexible, and interdependent models. At the same time, the task of incorporating as a charitable, non-profit entity is onerous and there is evidence that emerging practitioners are turning away from the status quo. Given all of the changes occurring in the sector, the timing is good for new business models to emerge that deviate from traditional structures. Outside of fine arts and culture, a number of alternative models have appeared, such as social entrepreneurship, social innovation, shared venture organizations, and shared platforms, suggesting that there is a new appreciation for cross-disciplinary collaboration, shared resources, atypical partnerships, and diversity that is slowly permeating many industries. One example is that of the shared administrative platform model, which Tides Canada Initiative (TCI) has pioneered in Canada in environmental and social justice work. The concept behind shared platforms is to alleviate some of the administrative work associated with running a charitable, incorporated entity as well as facilitate the diversifying of revenue sources for emerging practitioners and organizations. The shared platform itself is a charitable, non-profit entity that provides legal, fundraising and other administrative support to unincorporated entities. It also becomes a conduit through which unincorporated entities are able to apply for funding using the platform’s charitable status to access operational grants and issue tax receipts. The platform will typically take a percentage of revenue in exchange. The author has found no examples of this model within the fine arts and culture sector in Canada. The Shorefast Foundation and its Fogo Island Art program is an example of a new model emerging within the fine arts and culture sector as it operates as a social enterprise. Shorefast uses the Fogo Island Inn as a sort of “economic driver” to enable its charitable initiatives, including its artist residency program. Net earnings from the business are allocated to the sole beneficiary of the trust - the charity³⁰ (“Social Entrepreneurship”, 2016). While this model is increasingly popular in other sectors, it has not gained as much traction within fine arts and culture.

Ultimately, fine arts and culture stands on the precipice of much of these changes, primed to explore them. However, these new models may not fit within legacy systems. This is a similar challenge to that of the emergence of new technology and the blurring of lines between disciplines and genres that result from that. Just as there may be a need to adapt granting

³⁰ A breakdown of how this model works at Fogo can be found on the Shorefast Foundation website: <http://shorefast.org/our-projects/our-approach/entrepreneurship/>

framework to accommodate hybridized artistic practices, accommodations must be made to “existing structures, assessment practices, and reporting requirements” (Jeffrey & MacKinnon, 2013). Additionally, the development of new business models will require additional support and expertise that may not be available to already under-resourced organizations.

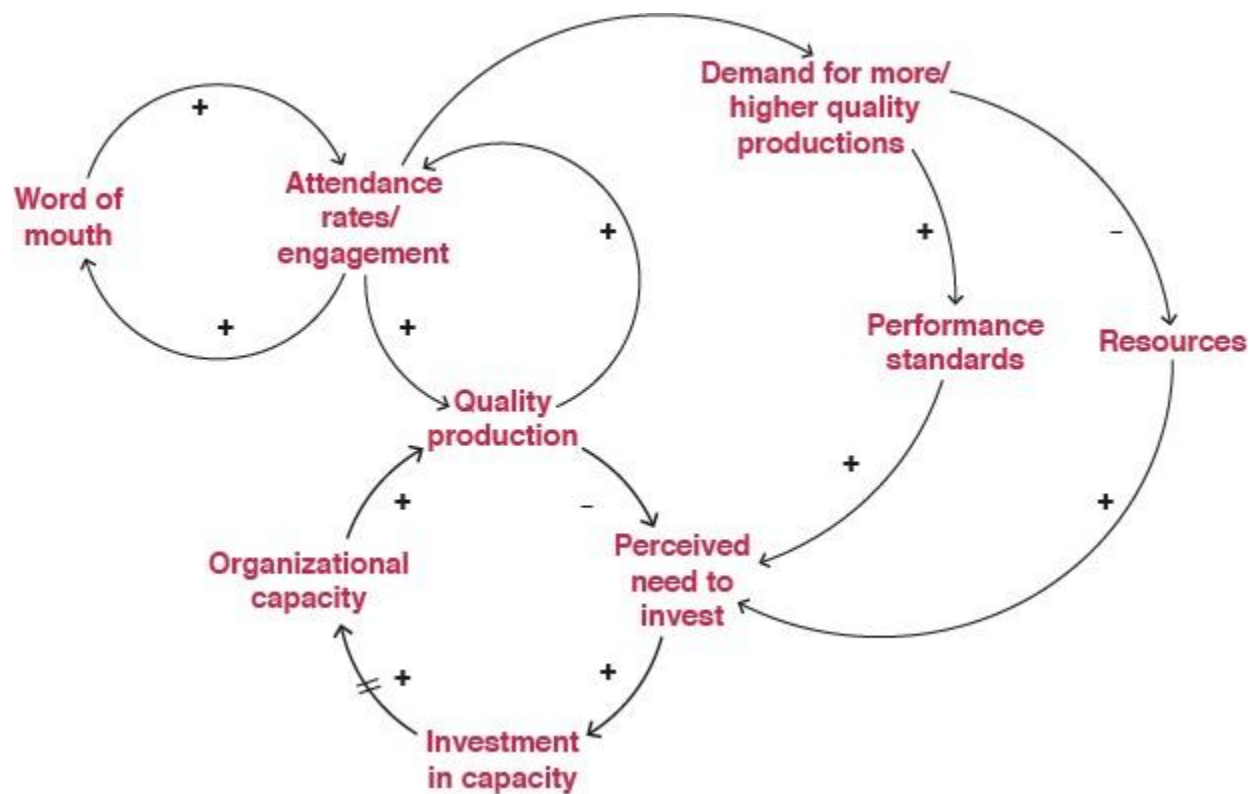


Figure 23 - Growth and Underinvestment Archetype

The Growth and Underinvestment archetype expands upon the Limits to Growth archetype by “explicitly addressing a firm’s need to invest its own resources, capabilities and core competencies (Braun, 2002). This archetype comes into play when a growth approaches a limit (as demonstrated in the Limits to Growth archetype (Figure 4) that can be overcome if capacity investments are made. If a system is stretched beyond its limits, it will compensate by lowering performance standards, which reduces the perceived need for investment. It can also lead to lower performance, which justifies underinvestment over time (Braun 2002).

CASE STUDY: CANADA'S NATIONAL BALLET SCHOOL

To serve as an example of an institution that has shown great adaptability during increasingly challenging conditions, this paper will single out Canada's National Ballet School in the form of a brief case study. The case study was assembled through conversation with interviewee John Dalrymple and looks at NBS, one of the world's foremost training institutions for aspiring young dancers and teachers and the only ballet academy in North America to provide elite dance training, academic instruction and residential care on the same campus ("About NBS", 2016). John Dalrymple is the Chief of External Affairs at the school. It is this author's belief that while this example is specific to this particular institution, other fine arts and culture institutions can look to the ethos of NBS and use it as an example of an agile, resilient fine arts and culture organization.

Three years ago, NBS found itself in a position not particularly atypical from one many other fine arts and culture organizations have found themselves in. The school received \$6 million in funding from Canadian Heritage, which, with an annual operating budget of \$21 million, was a risky, huge amount of funding from a single source. That level of support had not increased since 2008 meaning that it was worth less and less every year when inflationary growth was taken into account. In addition to this, the board of directors had run projections, which revealed that if the organization stayed the course they were facing a potential accumulated deficit of \$6 million and an income gap of \$2.5 million within 5 years. To make matters worse, the conditions for success in development were not ideal. Fundraising growth had flat-lined so the solution to the challenges the organization was facing could not be to bump up fundraising targets.

Putting that aside for a moment, the NBS mandate is built on providing access to the highest quality dance training, regardless of financial circumstances. This was directed almost entirely toward children in the professional program (who were training to be professional dancers). However, there was a group of people on the ballet faculty, who felt that the organization could be doing more to reach out to communities not served by the organization's model. Almost 100% of all of the children who audition for NBS are already in a serious ballet program elsewhere and while the organization's only criteria for entry is talent, and they would underwrite the tuition of any family who could not afford to attend, that model potentially excludes many talented children. Ad hoc initiatives delved into this, and while the spirit of enhanced community engagement was there, it never really had the internal support to make those initiatives a priority.

Faced with a difficult situation, the ballet school did something unique within the sector. The organization looked to some of the peripheral benefits of participating in dance - dancing improved physical fitness, contributed to a healthy, active lifestyle - benefits that the organization had overlooked while they focused on their traditional outputs such as excellent performance or well-trained dancers and asked "what happens if we invite people in to experience these other aspects of the art form?" The school decided to empower its community programs and work done in inner city schools. In order to do this, they set up a dedicated

strategic initiatives department (initially made up of Dalrymple and one part-time employee) that operated as a small entrepreneurial hub within the larger organization. The idea was that the school would make an initial investment in the department's first year of \$150,000. By the second year it would cost \$50,000, by the third year it would start to generate a surplus, and then in 5 or 10 years it would be the source of funding growth for the organization. The department has been a success. So much so that while traditional fundraising remained flat overall annual growth was 7% due to growth in strategic initiatives fundraising. By investing in its community programs that promote youth engagement, healthy lifestyle, and improving quality of life through free dance programs, NBS was able to make a much broader case for why what they do is important.

As a result of this, the department has been able to secure significant new funding, and from non-arts funding agencies. In early December 2016 the Public Health Agency of Canada announced it was making an investment of \$5 million in NBS, something that would not have been possible before the expansion of the community programs. NBS is also the only dance initiative in Canada to be selected as a Canada 150 signature project, largely because the committee was looking for initiatives that engaged the community and young people in physical activity and brought people together to experience a social interaction. Finally, Shaw Communications is coming on as the presenting sponsor of the Sharing Dance³¹ program, with the largest corporate gift that the school has received in its entire history.

Today, the strategic initiatives department employs 12 people, is fully funded, and is kicking funds back to NBS. The strategic initiatives department correctly identified that the community programs would start opening doors and build renewed optimism internally around revenue potential for NBS. They recognized that once a person becomes involved with the institution through a program like Sharing Dance or adult ballet, they learn about the art form, learn about the institution and how it is contributing to their communities and they start to care about its future.

These programs also linked directly with the school's main *raison d'être*. NBS is out working in communities providing dance training to children who would otherwise not have to opportunity to engage with dance. If they find a child with a huge potential they are already in an NBS program. To facilitate this, NBS has a program where teachers working in the communities can identify high-potential children who are then offered free classes at NBS in the associates program. So far 5 children have utilized this opportunity and one looks like she is going to try out for the school, an opportunity she almost certainly would not have gotten had she not participated in an NBS community program.

³¹ Sharing dance is an initiative motivating Canadians of all ages to participate in free, healthy, fun and creative dance activities. A side not that is particularly relevant to this research is that Sharing Dance is made even more accessible through an interactive online platform, offering digital resources and support, live-streamed content, and forums for public involvement

This initiative has changed NBS, but the organization never had to alter its mandate, it simply expanded the reach of it. NBS moved from providing the highest quality dance training to children enrolled in its professional program to also providing the highest quality dance training to anyone in the community. The school has managed to do this without compromising the integrity of their programming. The resources that the school is providing to both its professional students as well as those in the various community programs is the gold standard of dance education, as should be expected from Canada's National Ballet School. They did not compromise their program content, it is simply expanded to include dance content for individuals with different aspirations (who don't necessarily aspire to be professional dancers).

When asked about whether their increased focus on the community program compromised their professional program in any way, Dalrymple was quick to point out that if the school had faced an accumulated deficit of \$6 million and an income gap of \$2.5 million, they would absolutely have to make compromises that would have diminished the professional program (staff cuts, reduced studio hours). Not only did NBS manage to avoid that scenario, but they are on their way to successfully diversifying both their audience and income, increasing the overall sustainability of the organization in the long run.

HOW CHANGE COULD HAPPEN



Karen Robinson and Sam Malkin in Eternal Hydra. Image courtesy of Crow's Theatre

“You cannot control complex systems, only disturb them and even a small disturbance, artfully designed, can have large systemic effects” (Marsland, 2013)

Before proceeding any further, it is important to acknowledge how difficult systemic change can be. Characteristic of a complex system is that it will afford many different vantages according to the viewer. These vantages also depend on whether the potential actors for change position themselves outside of the system or are embedded within the system, meaning that their actions create many reactions by the other parts of the system. Overall, complex systems also typically have a variety of moving components that can interact in unpredictable ways and there are many forces at play that are not under the control of any one stakeholder or group. Furthermore, it is difficult to imagine alternatives to the current system, upon which fine arts and

culture organizations, practitioners, and artists are completely dependent, meaning that even if there is an acute need for change, stakeholders lack the impetus to do so.

While a number of challenges were explored in the previous section, they were all closely interrelated. Exploring any one in isolation will fail to reveal the cumulative effects of that component on the rest of the system. The following recommendations outline potential strategies that could be employed by industry leaders in search of a more resilient fine arts and culture system. These recommendations are based on the analysis found within this report and are not meant to be prescriptive or all encompassing. Instead, they are to be thought of as guiding principles, some more concrete than others.

PRIMARY RECOMMENDATIONS

Present a New Argument for the Importance of Fine Arts and Culture in Society

The arts have difficulty “making their case”, which is essentially an optics problem. A large part of the population does not feel that these institutions are about them, there is disapproval around what would be considered ‘populist’ productions, and arts leaders have difficulty articulating the importance of something so visceral.

The Massey Commission was largely driven by an argument where in order for Canada to be a great nation with a strong cultural identity, the country needed to have world-class cultural institutions. However, this argument no longer resonates with stakeholders the same way that it did when Canada was in the period of nation-building taking place in the mid 20th century. There are many new voices at the table and there is a need to shift the argument and consider new value propositions that the sector can offer. How can arts practitioners tap in to overlooked intrinsic benefits within their art form and use these new value arguments to diversify their audiences and sources of revenue? How can this be done without compromising the integrity of the organization’s vision and mandate? Canada’s National Ballet School is a good example of this (see case study on page 59). While the scenario discussed in the case study is very specific to NBS, the mindset that spurred this organizational shift need not be. Every arts organization will need to figure out what that shift in conversation would mean for them, but it is an exercise that should be considered. The ballet school demonstrates that you can reevaluate your core offerings, products, and services in a holistic way to the benefit to both core operations as well as in the seemingly never ending quest to tap into new market segments.

Adopt an Ethos of Agility over Stability

As explored earlier in this report, during the early post-Massey days of developing a fine arts and culture sector in Canada, the focus of the sector was on supporting growth and longevity, which translated to large, dedicated audiences and organizations that occupied a permanent place in the landscape (Evans, 2011). As these organizations grew, maintaining stability was a chief concern and growth was tacitly rewarded by the various funding agencies. In many respects, becoming a mature organization meant owning a building or taking on other fixed assets.

This shift towards adaptability is at the crux of many of the challenges mentioned throughout this report, and fine arts and culture organizations seem to struggle with it. Using the example of a capital asset, often the goal of the past, should be weighed against the importance of having financial flexibility to invest in innovation. The notion that owning a building is pivotal to an organization’s sustainability is prevalent within fine arts and culture, and many institutions within the sector hitch their visions of success to new, multi-million-dollar buildings (Sandals, 2016a). However, decisions to invest in an asset of this sort are often accompanied by inflated audience projections for the new building that can leave the organization vulnerable if they do not meet expectations (Sandals, 2016a). Consider the Art Gallery of Alberta (AGA), which in 2010

opened in their new \$88-million gallery (towards which the city of Edmonton contributed \$21 million in funding) (Osman, 2015). In 2012, the city of Edmonton granted \$2.5 million in emergency funding for the gallery and in 2015 the AGA made an additional request of the Edmonton Arts Council for \$250,000 in emergency funding, which the Council rejected (Osman, 2015). The AGA's executive director and chief curator Catherine Crowston spoke about the institutions struggles and how inflated audience projections tied to the opening of the new gallery impacted them, explaining that after a spike in visitors in 2010 when the gallery opened, which was anticipated, attendance fell off in 2011, causing concern about the long-term sustainability of the organization (Morgan-Feir, 2015). Crowston cautions other fine arts and culture institutions, stating "be very realistic about anticipation of increased funding from public sources; there was an expectation from the previous director and board that there would be an increase that we didn't actually see... Also be very realistic, and perhaps conservative, about what your fund-development expectations can be. Ours are very high at the moment—just on corporate sponsorship alone, it's in the neighbourhood of \$800,000 a year. It's a significant target in Alberta, and it becomes particularly complicated when you are in an economic situation as we are in now" (Sandals, 2016a).

"It is through a focus on designing and implementing specific new approaches—conducting small experiments with radical intent—that organizations change their cultures and begin to institutionalize the new adaptive muscles needed to sustain transformational behaviors" (Evans, 2013).

Many organizations have not evolved cultures that are intrinsically flexible and responsive. The sector is full of rigid hierarchical structures and are not well equipped to incubate and eventually implement new models for doing business. Organizations and practitioners need to get better at responding to changing community dynamics and technological change. However, this is more a change of mindset or focus than anything else. Organizations and practitioners need to reevaluate their priorities and goals towards traditional sources of stability (that may be hindering them in reality) and funders need to leave behind the mindset that growth equals success.

Form a Cultural Policy "Think Tank"

The fine arts and culture sector is made up of many different stakeholders who need to work together, but it can be difficult in a sector that is this undercapitalized as organizations are led to feel proprietary over ideas and resources. Additionally, in a sector in need of holistic, big picture review an independent body to assess and report on the health and resiliency of all different levels of the industry would be an asset. Consider again that currently, most reporting is being commissioned by funding agencies, themselves the stakeholders with perhaps the most influence over the sector. Someone else needs to come in and "connect the dots".

Concrete examples of the value of this are not difficult to imagine. Consider that over the past several years it has become popular for cities to develop cultural plans as a way of differentiating themselves and to accommodate the rise of the creative class, a notion

popularized by Richard Florida in his book of the same name early in the 21st Century. However, there is seemingly no location where these disparate plans are aggregated and kept. Considering that one of the main goals of these cultural plans is the differentiate themselves from other cities, it makes sense to take stock of existing cultural plans to see what other cities are doing. More broadly but in the same vein of thought, the tracking of innovations and experiments within the sector is essential if they are to learn both our successes and failures (cf. Sirman, 2014). This as well would be facilitated if there was a body aggregating this information and reporting on it.

Another example comes to mind when considering the possibility of shared platforms within the sector, a powerful possibility for increasing resiliency and combating some of the problems associated with inequality between large and small organizations. The United States has several examples of this model successfully fostering sustainable growth within fine arts and culture³². However, in Canada it is currently not possible under Canada Revenue Agency (CRA) guidelines for a shared platform to be a conduit of funds to a non-incorporated entity. The shared platform has to “own” and operate the project themselves, meaning that the non-incorporated is not able to retain responsibility around cultivating relationships, soliciting funds, and the implementation and realization of projects and other outputs. In fact, many new models that are emerging from the United States are not permissible in Canada within current charitable rules outlined in the *Income Tax Act*.

Drilling down somewhat, consider the history of public-private partnerships in the City of Toronto. Programs like Section 37s are an innovative means through which the city can help keep arts organizations in the city in the face of rising property costs and gentrification. However, these sorts of projects are hindered and even fall apart largely because the players at the table come with competing interests, different processes, and different paces of operating. Additionally, the different players are often not equally weighted, but are intended to be equal partners. They are not all operating on a level playing field, which can undermine negotiations.

It is difficult for any single fine arts and culture entity to tackle any of these on their own, and it is not likely under current conditions that there will be meaningful collaboration between existing institutions to make progress on these fronts and lobby government. Different stakeholders have their own (often competing) interests, which should be considered when approaching sector wide issues. In the case of aggregating cultural plans as well as the need to come up with a plan to approach the CRA would all be facilitated by the existence of a high-level cultural policy think tank that could act on behalf of the sector as a whole in the pursuit of solutions to these and many other obstacles. Section 37 agreements would, in this author’s opinion, benefit from high-level policy review, but on a more granular level, these agreements would be much more likely to produce positive outcomes if there is an independent entity who isn’t predominantly for one party or the other but who recognizes the deal as an entity of its own and drives for the satisfaction of its needs. This entity could make sure that all of the incremental agreements that

³² Fractured Atlas in New York is an excellent example. <https://www.fracturedatlas.org/>

are necessary get made, that both parties' interests get looked after, that it stays on pace, and works to ensure that the promise of these arrangements plays out.

Whether working to lobby government for changes in tax law or operating as intermediaries on Section 37 style deals, the sector would benefit greatly from the presence of more third party entities who facilitate the initiatives of the fine arts and culture sector (outside of funding) who are themselves arm's length enough to look at challenges from a more systemic point of view. There are multiple professional agencies that work to change legislation and how it is interpreted and serve as intermediaries on high-level collaborations and partnerships who could serve as examples upon which a cultural policy think tank could be modelled.

It is worth noting that there may be some pushback on this concept from some of the larger funding and arts advocacy agencies. It is important that these critical agencies do not feel undermined. However, if a think tank of this sort can better demonstrate both the intrinsic and instrumental benefits of fine arts and culture, and can identify new means of demonstrating and executing on these benefits, funding is more likely to flow into the system from sources outside of just granting bodies. Opening the doors to allow for these new partnerships to form could be critical for the sector, and a think tank could widen the possibilities in this area, to the benefit of all stakeholders.

Perform a Sector Specific Independent Review

Reviewing the Massey Report today, many of the recommendations are much less relevant in the 21st century. It is time to rethink the conceptual framework that gave rise to Canadian cultural policy in the 1950s in order to build upon them and establish new policies that will serve the country for the next 75 years. The environment in which Fine Arts and Culture is operating today is fundamentally different from that during the time of the Massey Report and while outwardly things may appear to be running smoothly within the country's fine arts and culture organizations, this is often happening with incredible compromise internally.

In June of 2016 the Government of Canada announced it was launching a six-month independent review of federal support of fundamental sciences led by an independent panel of leaders in the field (Innovation, Science and Economic Development Canada, 2016). The press release states: "The review will assess the program machinery that is currently in place to support science and scientists in Canada. The scope of the review includes the three granting councils along with certain federally funded organizations such as the Canada Foundation for Innovation" (Innovation, Science and Economic Development Canada, 2016). It is this author's belief that the fine arts and culture system in Canada is in need of a similar, independent review.

In April 2016 the Government of Canada did announce that it was launching a series of public consultations with both consumers and creators of "Cultural Properties" (LeBlanc, 2016). While the Canada Council is one of the institutions under review, the overall tone of the report seems to be focusing on media, specifically mentioning the CBC, the Broadcast Act and the CRTC

(LeBlanc, 2016). The consultations are also focused specifically on the impact of digital technology and what new models are needed to accommodate the ways in which people are consuming culture. When speaking about the report, Heritage Minister Melanie Joly stated “her ultimate goals are to foster the creation of Canadian content across the country, but also increase the international audience for Canadian creators” (LeBlanc, 2016).

If fine arts and culture was to undergo a sector wide review, whether as a part of the “cultural properties” review currently underway, or as a separate initiative, the initiative needs to extend beyond “patchwork policy fixes”, and should engage stakeholders from all different levels of engagement. Critically, it should be an independent commission as even a quick scan of available resources will reveal, the majority of research on the fine arts and culture sector in Canada is being commissioned by the various funding bodies that support it, and the studies are often conducted with the intention of using them to push for larger budgets from government so they are not necessarily inclined to make suggestions that would move agencies or organizations away from the existing models and frameworks prevalent within the system.

Large Incumbent Organizations Should Consider their role as Greater Players in the Ecosystem and the Impact that they can have on Smaller Organizations

What is the value of large or incumbent organizations as a facilitator for innovation? While there is certainly artistic and business model innovation happening within small or new organizations, there is not always the capacity or expertise to execute on these ideas. Perhaps larger/incumbent organizations could set up some sort of arm's-length incubator that would help innovators without adequate resources build contacts, workshop their ideas, access talent, access technology and receive training. This could be set up synergistically where the innovations being produced within the incubator feeds back into the host organization. Similarly, how can large/incumbent organizations use the power of their platform to amplify content from smaller/new organizations? This could range from using their digital presence or websites to disseminate curated content from less resourced organizations or through formal collaborations around artistic production.

A good example that illustrates this concept is seen in the National Arts Centre (NAC), which just announced the launch of its *National Creation Fund*, which is essentially a venture capital program for new arts creation in theatre, dance, and music. The NAC will be distributing funds to artists and other organizations with no obligation to link the new programs or works back to the NAC - the initiative is truly just about creating new works of art in Canada. When Peter Herrndorf, CEO of the NAC, was interviewed for this research he answered the question of why the NAC would take it upon itself to help fund other organizations and Herrndorf simply stated “as a national organization, part of our job is being a catalyst for arts across the country and we are in a position to fundraise in a way that smaller organizations are not”.

More Wholly Embrace a Systems Thinking Approach

This is well underway within many agencies but there is a need to shift focus away from the health of individual fine arts and culture institutions and focus instead on the health of the fine arts and culture ecosystem, as a whole. This could precipitate the moving away from discipline-based funding and towards a more holistic view that focuses on the interrelationship of an arts ecosystem, rather than a series of arts disciplines. The mindset needs to shift from how a particular grant benefits a particular organization to how will this investment in fine arts and culture benefit a wider set of stakeholders, be it the community, the system, or the art form. The Canada Council seems to be moving in this direction with the announcement of their new strategic plan and funding model³³, but it is still too early to determine how this will be put into practice.

Fine Arts and Culture Organizations Should Form Technology Committees on Their Boards

Particularly amongst SMB fine arts and culture organizations, it is common practice to populate their board with finance, legal or fundraising professionals in order to fill what may be a lack of expertise or capacity in those areas within the organization, forming subcommittees to assist with or handle those operational duties. However, when considering new forms of technology, organizations tend to focus on marketing (if anything) when there are numerous other aspects that should be considered. The importance of social media should not be discounted, the benefits of putting collections and content online should be seriously explored, and the quality of an organization's online presence should be prioritized.

Public Funding Agencies Should Support Efforts to Design Sustainable Business Models

With all of the change impacting the sector and the need to develop new models and strategies to support the artistic production and dissemination within the country, "innovation support" could be provided to organizations for designing sustainable business models for the new forms of engagement discussed in this section. This is arguably a much more strategic approach than any sort of patch-work funding aimed at assisting specific institutions with the transition to digital culture, for example. There is great creativity and resourcefulness with the fine arts and culture sector, perhaps this is something that could be tapped into and fostered in pursuit of holistic solutions to this, as well as other, challenges.

³³ (Canada Council for the Arts, 2016)

The System Should Let Some Organizations Fail

Public funders play a critical role in maintaining ecological balance both by supporting new growth as well as disinvesting from organizations and practices that are no longer relevant or creating value. Consider the analogy of an old growth forest. Within the ecosystem of the forest, larger trees dominate and block the sunlight from reaching the younger trees. The accumulations of nutrient resources “become more and more tightly bound within the existing vegetation, preventing other competitors from utilizing them” (Holling, 2001). This leads to a system that is overly rigid and without flexibility. What inevitably happens is some agent of change arises (fire, drought, disease, insect outbreak, etc.), triggering a cycle of “creative destruction” where much of the accumulated resources are released and tight organization is lost. New trees grow to fill in the voids in unique ways, thus making for a more resilient system (cf. Holling, 2001). This happens over and over again in the lifetime of a forest. Similarly, the fine arts and culture ecosystem is becoming gradually more and more dense and homogenous over time. The paradigm of sectoral growth outpacing funding growth that the fine arts and culture sector finds itself implies that the sector may benefit from a similar period of “creative destruction”. The subsequent period of rapid reorganization and recombination would hopefully “seed experiments that lead to innovations in the next cycle” (Holling, 2001). Perhaps some of the organizations within the sector have fulfilled their mandates, or have become obsolete or perhaps they have simply lived out their intent; there is no benefit to artificially sustaining something that is no longer functioning or relevant.

SECONDARY RECOMMENDATIONS

Government may wish to...

Ensure that public funding agencies have been allocated adequate resources to effectively engage communities previously left out of funding circles. This priority, ensuring that funding is reaching new communities or communities that haven't previously been in funding circles, is absolutely the correct path, and it is in line with broader government initiatives. However these efforts are undercut if additional funds are not allocated to support them. What are funding agencies to do when predictably, their requests for funding increase as they reach new communities but they have no additional funds to allocate to new entrants? A separate but related consideration is that as population growth based upon immigration continues to grow, the population of the country, as well as many provinces and municipalities will continue to grow, it dilutes funding bodies' ability to serve their communities on a per capita basis.

Public funding agencies may wish to...

Reconsider and more clearly define what they consider to be "excellence" in fine arts and culture. This recommendation is tied to the first in that it suggests a change in context. A quick review of the strategic plans of a variety of public funding bodies in Canada makes clear that supporting excellent artistic production is a priority. However, it is difficult to find a definition of excellence in these same strategic plans. As explored, fine arts and culture is extremely subjective and thus defining excellence in terms of artistic production can be difficult. Consider, however, that the Australian Arts Council defines excellence "not only in terms of the highest possible level of artistic achievement, but also through innovation, organizational vibrancy, business skills and community outcomes" (Jeffrey & MacKinnon, 2013). The ecosystem would benefit as a whole if factors such as research and development, creation, production, presentation, distribution, and market development were weighted more equally with the quality of artistic production when evaluating fine art and culture organizations.

Continue to seek out alternative strategies and partnerships. The essence of the previous recommendation is a call for increased government support, but governments are under increased financial pressures so alternative solutions are needed in the event that additional public funding is not made available. One possible route would be through partnerships between government or a public agency and a particular ethnic community (community business associations, for example) to jointly fund new Canadian productions. Funders could also dedicate a portion of funds exclusively for smaller productions targeting demographics previously left out of funding circles so that increasing demands by large incumbents do not eat into the funding earmarked for engaging new communities.

Support efforts to reposition the public as a participant in arts and culture, rather than an observer. The public has a role to play in the creation of cultural practices and products and public funders have a role in supporting this arguably necessary shift. Fine arts and culture organizations and practitioners will need support in developing new participation-based arts programming and initiatives. This could include activities such as finding new ways of promoting

online engagement, reevaluating presentation norms (as explored above) both in terms of non-traditional spaces as well as shifting audience behavioural norms (allowing the use of cellphones during the performance, for example) or designing new models for audience engagement. There is a need to build up sectoral capacity in this area and these efforts should be supported with more targeted investment. There also needs to be a cash investment in this side of the business, as certain new ways of engaging do not necessarily have funding models attached to them - i.e. how do you monetize online engagement? Likely through future donations, but there needs to be upfront capital to fund that expense (i.e. building a better website, or digitizing art collections) while the return on capital may take many years.

Adopt a framework that allows artists to define their practice on their own terms. Artistic innovation is blurring the lines between disciplines and genres and the ubiquity of technology has greatly altered artistic production and dissemination in a way that challenges traditional forms of presentation. Most public funding bodies build their granting program frameworks on a by-discipline approach, something that is made more difficult as the boundaries between these disciplines blur. This can cause issues for practitioners and organizations attempting to define their practices in a way that objectively fits into established granting categories and ultimately dampens artistic innovation if practitioners feel unable to stray from traditional categories of practice. Easing these eligibility constraints would allow artists and organizations to be innovative without having to tailor their efforts to a particular program criteria.

Increase support for or in some cases create programs or program components that prioritize professional development. Currently, there is an overall lack of options for institutions wishing to engage in more robust leadership development, mentoring, training courses and secondments, to name a few. There could also be funding support for organizations whose leaders wish to spend time away in professional development or on research sabbaticals as well as for mentoring initiatives within institutions for mid-career managers. In order for fine arts and culture organizations to accomplish this, public funders should focus on offering more substantial, systemic support in this area.

Make strong human resource policies a criterion under consideration when providing operational funds to organizations. An extension of this would also be to provide granting opportunities for the development of human resources policies and practices as well as human capital tools.

More wholly support capacity building initiatives. General undercapitalization of fine arts and culture organizations and practitioners contributes to a situation where organizations are required to cut back on internal processes and staffing in order to maintain support as cutting programming is often considered a 'cardinal sin' within the sector. However, back of house activities such as communicating with donors and patrons, securing new sources of revenue and exploring new partnerships are critical elements of any organization or artistic practice. These efforts can only be replaced with passion (i.e. volunteer hours) temporarily before it leads to unsustainable working conditions. The sector can't operate on arts leaders making human sacrifices of themselves in the name of fine art and culture.

Maintain or increase focus on general operational funding. Particularly at a time of economic uncertainty, stable operational funding provides organizations with a cushion that frees up capacity to address other challenges and adapt to changing conditions. This means that organizations and practitioners are able to maintain their practices while investing in ways to innovate. This benefits the sector as a whole. Organizations with a strong adaptive capacity are also more likely to generate adequate revenue to sustain operations, encouraging a certain degree of self-sufficiency among practitioners and organizations. “Innovative change rarely happens of its own accord, and requires policy underpinning, financial incentives, risk capital, and metrics for success that reward “discontinuous change” (Evans 2010). (This would also promote artistic innovation, as it is difficult for organizations and practitioners to produce anything risky if they are not adequately funded). While there is an argument that financial stability at the individual level dis-incentivizes innovation, given the previous section on the viability of a career in fine arts and culture, that risk is probably somewhat mitigated within the current funding levels. (i.e. In most organizations there is little risk that operational funding will reach a level where complacency becomes a widespread issue).

Support atypical organizational structures. Adherence to defined organizational structures is not necessarily a good criterion for signalling organizational sustainability. In order to accommodate and foster emerging models, public funders will need to be more accepting of these alternative models of operating. Again, it seems as though the Canada Council is moving in this direction with the announcement of their new funding model (Canada Council for the Arts, 2016) but it is too early to see how this will play out within fine arts and culture organizations and amongst practitioners. Public funding agencies are not necessarily incentivized to take risks on new models, meaning the concept of supporting atypical organizational structures could cause a bit of pushback from the agencies. Committing to funding new models and structures should be engrained within the funding model in order to ensure pick-up. Perhaps agencies could allot a set percentage of funds to supporting these kinds of initiatives, this way they could ensure that some funds flow through to new models but the existing structure of giving needs not be disturbed. “Equipping new arts enterprises with tools and resources to discover, learn, and create new pathways to fulfill their missions will begin to uncover a multiplicity of new models capable of success” (Litzenberger, 2013).

Fine arts and culture organizations may wish to...

Reevaluate industry norms and see if they can be bent to the organization's favour. Shaw Festival is exploring the possibility of having designated performances where having one's phone out as well as photographing and recording the performance is not only tolerated, but encouraged. This could have the dual impact of appealing to a generation accustomed to this way of engaging, and greatly increase the organization's social media presence. This idea, while certainly unconventional in the world of performing arts, should not be dismissed simply because it is just that. Several interviewees hypothesized that the passive experience of proscenium style theatre is less appealing to the younger generations who wish to be a part of the action. Recently, the National Ballet of Canada and the Art Gallery of Ontario collaborated to

mount *The Dreamers Ever Leave You*, an immersive ballet performance inspired (and performed alongside) the paintings of esteemed Canadian painter Lawren Harris. This performance was widely considered a resounding success both artistically and in terms of accessibility to the art form. “*Dreamers* is performed by 13 dancers on three flat stages (strips of dance-grade floor) in a 45-minute loop of movement accompanied by composer Lubomyr Melnyk, who plays a grand piano in the corner” (Schabas, 2016). What made this performance particularly unique, however, is that the audience was free to wander around the room at their discretion, to stand as close to the stage as they pleased and record the performance on their phones. This innovative performance had mass appeal without sacrificing artist integrity, something that can be elusive when a company is trying to strike a balance between appeasing their existing patrons as well as appeal to new audiences.

Harkening back to the previous challenge around demographics and audience engagement, such appeal could also be achieved by offering content that is culturally meaningful for the diverse population. An example would be the classical music series offered by the Aga Khan Museum³⁴ where the term “classical music” is re-examined within the context of cultural diversity in this particular series of performances. The series presents the sights and sounds of North Indian, Indonesian, Italian, and Syrian musical traditions and their mutual influences truly bringing communities together while also maintaining artistic integrity

Accommodate changing expectations around participation. Building on the above suggestion, fine arts and culture organizations should evaluate the types of participatory practices they have on offer. In a 2011 report titled *Getting In On the Act: How arts groups are creating opportunities for active participation* published by the James Irvine Foundation in the U.S. states:

“Technology has fundamentally changed the way people interact, learn, and think about culture. Contemporary notions of creativity, shaped by Web 2.0, center on shared construction of cultural identity and an ethos of participatory experience.... The open, free and instantaneous exchange of digital content affords people the resources to control their own creative experiences and make their own meaning. Interactive experiences of all sorts are now an expected norm... This shift is about more than just technology. People are thinking about the experience of culture differently than in the past, placing value on a more immersive and interactive experience than is possible through mere observation.... Americans are activating their own creativity in new and unusual ways ... [as] part of a larger ‘participatory economy’ in which social connection eclipses consumption. Americans want to meet the people who make our products, share in the work of the makers, and make things ourselves” (Brown, Novak-Leonard, & Gilbride, 2011).

If audience preference is indeed shifting towards favouring participatory experiences one can only infer that participatory offerings will positively affect attendance at fine arts and culture events and presentations. How can audience members meaningfully engage with the sector?

³⁴ More information on the series can be found on the Aga Khan Museum’s website: <https://www.agakhanmuseum.org/performing-arts>

This sort of engagement will need to move beyond many of the existing audience development techniques such as social media campaigns, educational programs, or marketing strategies. A sense of shared value needs to be fostered to the benefit of all shareholders within the sector.

Digitize their collections and make them available online. It is common for only 4% - 5% of a museum's collection to be on display at any given point in time, so these public works are largely kept in vault where the public cannot engage with them. The Metropolitan Museum in New York has digitized and made their collection available (and searchable) on their website. Critically, when they did this the museum saw not only its digital traffic increase, but its real-world traffic as well, dispelling with the notion that having the content widely available online will discourage people from actually visiting the institution. Further, given the potential rise of the museum as an educational hub, a museum's digital resources could be used to support online courses, whether created and managed by the museum or by other institutions.

Rethink their approach to patron loyalty. As technology has evolved and with it the range of opportunities for entertainment that the public can engage with, attendance in theatres and galleries has declined. As fine arts and culture organizations impacted by this realized that they were not retaining their audiences the focus often became getting new people into the doors. While organizations should always be focusing on bringing in new audiences in strategic ways, they should continue to bear in mind that some people are just never going to be interested in the arts. From a marketing point of view the most expensive patron to recruit is a new patron. Once individuals are engaged and they care about the art form, the organization's ability to get them in the doors becomes exponentially easier. Therefore, when people demonstrate that they care for the organization and show loyalty through box office transactions, philanthropy, volunteerism, etc. they should be rewarded (access, premium seats, etc.). This ethos could be more engrained within fine arts and cultural organizations.

Develop industry wide human resource policies, tools, templates, and best practices. Fine arts and culture organizations should work together to design and develop these policies, tools and practices and then to distribute these resources widely across the sector. Additionally, the value of identifying and sharing models that may have broad application across the sector is a collaborative effort that could strengthen the working relationship between discrete fine arts and culture organizations and lead to partnerships of a different sort.

Work together to develop peer networking opportunities. This would be an excellent method in a reduced funding environment to provide professional and skills development opportunities. This would also help to foster a deeper appreciation of continuous learning within the sector that is prevalent in other industries.

Seek out new, easy ways for potential practitioners, audience members, and supporters to gain information. Information networks need to be transparent to new entrants. This suggestion has strong ties to the suggestions presented in the sections on both Demographics and the Technology challenges in that they address new ways of engaging audiences. Organizations should consider that audience members could also become the "foot soldiers" of any

organization's communications strategy; they just need to be brought into the information loop. If members of the community are able to educate themselves about the art form, the business, the economic impact of these institutions, they become empowered audience members. Empowered audience members have the potential to become passionate advocates for the institutions.

CONCLUSION

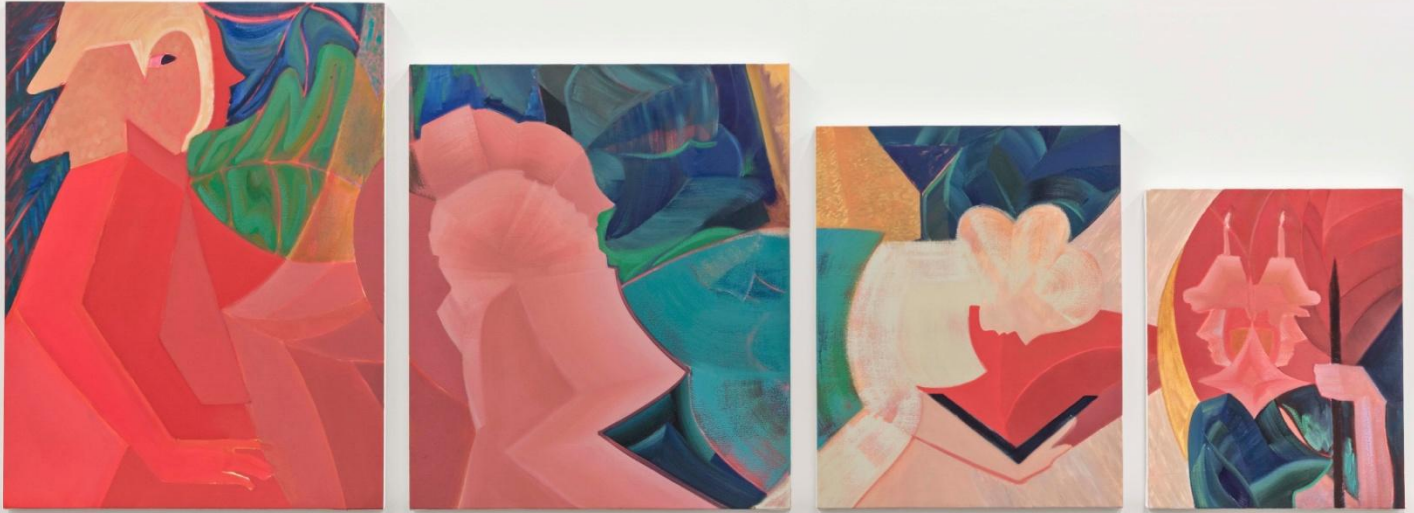


Figure 25- Kristine Moran, 'The Boss, The Queen, The Secretary, and the Henchman'. Image courtesy of Daniel Faria Gallery

This report set out to answer the question *how can fine arts and culture entities in Canada create more resilient strategic plans and partnerships to thrive in an increasingly challenging ecosystem* while also exploring the impact of new forms of technology, demographic shifts, legacy systems and frameworks, new forms of resource development and capacity building, among other factors.

While the challenges facing the industry can at times seem insurmountable, there are bright spots and imaginative, innovative leadership all over the sector. Artists, arts organizations, and arts funders will need to work together to envision and create new models for a thriving, resilient sector.

Perhaps most importantly, arts practitioners at all levels should continue to ask themselves “what are we trying to achieve” to make sure that their actions are driving forward the value of arts to the community, whether intrinsic or instrumental benefits. While the arts cannot and should not attempt to divorce themselves from the realities of art as a business, care should be taken to ensure that economic models are not being constantly privileged over the goal of creating and disseminating Canadian cultural assets. Fine arts and culture organizations must take care to not get lost in funding models that no longer resonate with their practices. Stakeholders within fine arts and culture must push forward and abandon the status quo, blur the lines between artistic practices and institutions, and seek out and facilitate new cross-discipline and cross-sectoral collaborations. Ultimately, the sector needs to move beyond deliberating the many obstacles and challenges they face so that stakeholders can move to a place of holistic reflection in the hopes of informing and driving systemic change that will result in a more resilient fine arts and culture ecosystem.

“you’re not in a position running an arts organization to take a risk unless it is guaranteed to pay off within the same year. So the sector that is supposed to be about shaking up society, inspiring creativity and all of those things by its nature, can’t do those things [for] itself”
- Confidential Interviewee

Finally, fine arts and culture practitioners must be courageous. Several interviewees describes the risk appetite within the sector as low,

likely the result of these organizations running so lean and not having the ability to build up an adequate cushion to protect against failure. Some organizations will fail, but this could be to the benefit of the benefit of the ecosystem as practitioners learn from their mistakes and re-emerge stronger and better prepared than before.

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APPENDIX A: Interviewee Biographies

Chris Abraham - Artistic Director, Crow's Theatre. Chris Abraham has been the artistic director at Crow's theatre since 2007 and an award winning theatre director, dramaturge, and teacher. Chris is well known across Canada for his rigorous and bold stagings of contemporary and classical plays. He directs as a freelancer at several well-known theatre companies, including the Manitoba Theatre Centre in Winnipeg, MB, and the Stratford Festival in Stratford, ON. Chris previously ran the directing program at the National Theatre School and had been involved in the management of the institution for a decade. Recently Crow's Theatre, a nomadic theatre company for several years, embarked upon building a permanent home for the company. It's new space, Streetcar Crowsnest, is opening in Toronto January 2017.

Sara Angel - Founding Executive Director, Art Canada Institute. Sara Angel is the Founding Executive Director of the Art Canada Institute at Massey College, a bilingual, not-for-profit educational initiative dedicated to Canadian art history research, education, and promotion. She has volunteered for a variety of arts organizations, including The Powerplant Contemporary Art Gallery and the Art Gallery of Ontario. A Trudeau Scholar at the University of Toronto in the Department of Art, Sara writes frequently on contemporary visual culture for publications including Maclean's, Canadian Art, The Walrus, and The Globe and Mail to make the world of art accessible to a broad audience. Her academic writing has appeared in the Journal for Canadian Art History and Leonardo, the Journal of the International Society for the Arts, Sciences and Technology.

Nicholas Brown - Manager of Programming and Education, Canadian Art Foundation. The Canadian Art Foundation is a national non-profit with a mandate to inform and advocate for the visual arts. This is done partially through the publication of Canadian Art Magazine, for which Nicholas regularly produces editorial work, but also through programming geared to examining artists and their works as well as the visual art's impact on contemporary culture. Nicholas has also worked extensively as a curator. Previous roles include working as a curatorial consultant at Yale University where in the fall of 2012 contributed the multi-site exhibition, "Shaping Community," whose artists included Sophie Calle and Shirin Neshat, along with curator Margaret Olin and Robert Storr, dean of Yale School of Art. In the summer of 2011 he was curator-in-residence at Montreal's the Darling Foundry

Gareth Brown-Jowett - Director, Division Gallery and Co-founder, Editions Book Fair. Division Gallery, based in both Montreal and Toronto, is one of the country's most distinguished private galleries, showcasing the work of some of the Canada's most significant visual artists. Gareth has championed Division's partnering with a variety of community organizations (C-Magazine, Partners in Art, the Magenta Foundation) in order to strengthen the artistic community in which the gallery operates. Division Gallery is also one of a select few Canadian Commercial Galleries with a strong history of international exhibition, participating in a number of art fairs across North America. Mr. Brown-Jowett is also the Co-founder of Editions Book Fair, a not-for-profit dedicated to art book publishing in all forms, while building an appreciation for art

works produced in editions of more than one. Having just launched in October 2016, Editions saw over 8,000 visitors in its inaugural year. Mr. Brown-Jowett has also served on a the curatorial committees for the Canadian Art Foundation's annual gala and the SNAP Auction.

Zita Cobb - Founder and CEO, Shorefast Foundation. The Shorefast Foundation is a social enterprise based on Fogo Island, Newfoundland. Its various projects include the Fogo Island Inn, a micro-lending fund for small businesses on Fogo Island and Change Islands, various academic residency programs, heritage building preservation initiatives, the New Ocean Ethic, and a retail furniture business, and most pertinent to this research, Fogo Island Arts, a residency-based contemporary art venue for artists, filmmakers, writers, musicians, curators, designers, and thinkers from around the world. Prior to starting Shorefast in 2001, Cobb had a career as a senior finance professional in the high technology industry. She was the Chief Financial Officer of JDS Fitel, and Senior Vice President of strategy for fibre optics manufacturer JDS Uniphase. Cobb left the industry to pursue her personal goals and to dedicate her energies to philanthropic work.

John Dalrymple - Chief of External Affairs, Canada's National Ballet School (NBS). John Dalrymple is in his seventh year at NBS, where he has been involved in a number of different capacities in the both fundraising and strategic planning. Most recently, he championed the creation of a small entrepreneurial start-up within the larger organization that is focused on fostering the growth of key strategic community programs. As those programs have matured, John has focused on driving a higher level of operational excellence as well as overseeing all fundraising initiatives for the school. Previously, Mr. Dalrymple spent 10 years at the Textile Museum of Canada, holding the position of Acting Executive Director at the time of his departure. In a volunteer capacity, Mr. Dalrymple has been a member of the board of directors of the Ontario Museum Association since 2006 and was a founding member of CreatiVenture Collective, a young patrons movement that works to support small arts organizations by championing fundraising initiatives, providing business operational counselling and assisting in the production of events and performances.

Rita Davies - Chair, Ontario Arts Council. Rita Davies was appointed Chair of the Ontario Arts Council by the Government of Ontario in 2015. The Ontario Arts Council is an arm's-length agency of the Ontario Ministry of Tourism, Culture and Sport that provides grants and services to professional, Ontario-based artists. From 1984 - 1999, Ms. Davies was the Executive Director of the Toronto Arts Council. From 1999 - 2012, Ms. Davies was the Director of Culture for the City of Toronto, during which time she oversaw the establishment of the Nuit Blanche annual arts festival as well as the first major increase in the city's support of the arts in more than a decade.

Peter Herrndorf - President and CEO, Canada's National Arts Centre. Peter Herrndorf began his career in the arts at the Canadian Broadcasting Corporation (CBC) in 1965 in Winnipeg as an editor and reporter in the television newsroom, eventually leaving the institution as Vice President and General Manager of CBC's English Language Radio and Television Networks. Peter then served as Publisher of *Toronto Life* magazine (1983 - 1992). Following

that, Peter was Chairman and Chief Executive Officer of TVOntario (1992 - 1999). Peter joined Canada's National Arts Centre as President and CEO in 1999. Peter also serves (or served) on the following committees or Boards: the Advisory Board of the Soulpepper Theatre Company; the Pinchas Zukerman Instruments Foundation; the Friends of Canadian Broadcasting; the National Advisory Board, The Pier 21 Society in Halifax; the Ontario Advisory Council, Asia Pacific Foundation; the International Council of the National Academy of Television Arts and Sciences (the International Emmies); Key Publishers Company Limited; the Canadian Journalism Foundation; the Banff Television Festival; the Premier's Council on Economic Renewal; the Ontario Film Development Corporation; the Festival of Festivals/Cinémathèque Ontario; the National Magazine Awards; the Print Measurement Bureau; the Toronto International Music Festival; the International Choral Festival; the International Theatre Festival; and the Glory of Mozart Festival. among many others. In 1993, Governor General Ramon Hnatyshyn appointed Peter Herrndorf as an Officer to the Order of Canada and in January of 2008, the Lieutenant Governor of Ontario, the Honourable David Onley, appointed Peter to the Order of Ontario.

Barry Hughson - Executive Director, National Ballet of Canada. Barry Hughson's career in fine arts and culture started as a professional dancer at the Washington Ballet where he danced for 4 seasons. After his retirement from dance, he moved into arts administration working first as Director of Education and then becoming Executive Director at the Warner Theatre - Northwest Connecticut's largest performing arts center from 1992 - 2003. Following that, Barry was the Executive Director at Complexions Contemporary Ballet Company in New York (2003 - 2004), the American Repertory Ballet in New Jersey (2004 - 2007), the Atlanta Ballet (2007 - 2009), The Boston Ballet (2009 - 2014) and now the National Ballet of Canada.

Jeff Melanson - Arts Leader. Jeff Melanson is a Canadian arts leader who for the last decade and a half has worked within the fine arts community and public sector across Canada. Jeff served as CEO of the Toronto Symphony Orchestra (TSO) from 2014 - 2016 where he oversaw several new collaborations with partners such as SickKids Hospital, the Polaris Music Prize, Universal Music, and the Toronto International Film Festival. Prior to his time at the TSO, Jeff served as the Executive Director and CEO of the Banff Centre from 2011 - 2014 and was Co-CEO and Executive Director of Canada's National Ballet School from 2006 - 2011. Jeff was also Special Advisor to the Mayor of Toronto on arts and culture from 2001 - 2011. Impressively, he was appointed Dean of the Royal Conservatory of Music in 2001 at the age of 28.

William Ritchie - Studio Manager, Kinngait Studios. William Ritchie has been the Studio Manager at Kinngait Studios (Cape Dorset, Nunavut) since 2010 but has been working in the studio as Arts Advisor since 1995. Prior to his time in Cape Dorset, William was associated with the St. Michael's Printshop in St. John's, Newfoundland where he both a print shop consultant as served on the board of directors for a number of years. William maintains an artistic practice and has worked in a number of institutions throughout Canada, including the Malaspina Print shop in Vancouver, BC; Val David Printshop near Montreal, QC; Open Studio in Toronto, ON; Mount Allison University in Sackville, NB; and the Nova Scotia College of Art and Design in Halifax, NS. William has also travelled extensively and worked across the Nunangat, including

Tanquary Fjord and Eureka on Ellesmere Island, Truelove on Devon Island, as participated in an artists' residency program at Resolute Base Camp on Cornwallis Island.

Doug Simpson - Senior Managing Director, NetGain Partners. Doug Simpson is a consultant at NetGain Partners who, for over 30 years, has assisted various arts organizations in Canada with their (primarily) management and marketing problems. NetGain's practice ranges from the problems of individual organizations to public policy questions and industry level reviews and analyses. NetGain Partners has provided creative solutions for cultural, aboriginal and conservation groups, as well as municipal and provincial departments and agencies. Within fine arts and culture, NetGain has worked extensively with the Museum of Contemporary Art in Toronto, among many other institutions.

Robert Sirman - Former Director of the Canada Council for the Arts. Robert Sirman has enjoyed a distinguished career in the Canadian cultural sector on both sides of the funding table. His public sector experience includes five years in Ontario's first Ministry of Culture, a decade at the Ontario Arts Council, and eight years as Director and CEO of the Canada Council for the Arts. Mid-career, Sirman spent 15 years as co-director of Canada's National Ballet School, spearheading a \$105 million award-winning capital expansion program. In 2015 Sirman served for seven months as Acting President and CEO of The George Cedric Metcalf Charitable Foundation and accepted a three-year appointment as Senior Fellow in Arts Management at the University of Toronto Scarborough where he taught in Winter 2016. He is currently on the boards of The George Cedric Metcalf Charitable Foundation, the Fogo Island-based Shorefast Foundation, the Ontario Association of Architects, The Theatre Centre, the Art of Time Ensemble, and the Ontario Cultural Attractions Fund.

Michael Tims - Chair of the Board of Trustees, National Gallery of Canada. Michael Tims has been the Chair of the Board of Trustees at the National Gallery of Canada since 2012, prior to which he served as Vice-Chair for over 4 years. In addition to this, he is an important patron of primarily the visual arts and has build a large personal collection of works. Outside of the fine arts and culture sector Michael is the Vice Chairman of MATCO Investments Limited, a private investment holding company with interests primarily in energy, oilfield services and real estate. Prior to joining MATCO, he served for many years as the Chairman of Peters & Co. Limited, a Canadian investment firm specializing in the oil and gas, oilfield services and energy infrastructure industries.

John Warwick - Member of the Board of Governors, Shaw Festival. John Warwick is a longtime patron of the arts, both visual and performing arts (music, theatre, opera, and ballet). Mr. Warwick is currently coming to the end of a 6 year term on the Board of Governors of the Shaw Festival in Niagara-on-the-Lake, Ontario and in the past spent several years on the board of the Young People's Theatre. Outside of the arts, he was Managing Director and Head of Investment Banking at Paradigm Capital Inc. until his retirement in 2014.

APPENDIX B: Business Model Canvas: Typical Model within Fine Arts and Culture (Generic)

For a more in-depth explanation of the Business Model Canvas, refer to *Business Model Generation* by Alexander Osterwalder and Yves Pigneur

Note: the contents of the canvas are not listed hierarchically.

Key Partnerships	Key Activities	Value Proposition	Customer Relationships	Customer Segments
Government agencies Educational partners Cross sector partnerships (ex. NBS and the Public Health Agency) Corporate sponsors Private foundations	'art and culture' production and dissemination collecting and collating research grant writing + applications educational initiatives Key Resources Collections (visual arts + museums) Actors/dancers/performers A building (not always)	Provide entertaining, engaging, often visceral experiences that are linked to measurable benefits (ex. economic benefits from tourism to stress reduction and community building) Using the arts to help a funder spread their message (ex. CSR + client and employee engagement)	Channels Private donors (including foundations and corporate) Grant applications + word of mouth	Audience (art-interested general public) Public Funders Private donors (including foundations and corporate)
		Cost Structure		
Staffing and salaries capital costs (if building is owned)/rental costs (if touring or renting) Marketing and promotion			Revenue Structure	
			Earned income (ex. box office ticket sales) Grants and sponsorships Sponsorship + philanthropic giving *If org owns their building, could generate income from space rentals.	

APPENDIX C - Andrew Berardini's text from Momus

How to Become a Curator



BY Andrew Berardini • FEATURES • MAY 16, 2016

Instructional image from Wikihow "How to Become a Curator."

- Develop an interest in a particular area of art, history, or science.
- Be detail-oriented.
- Volunteer at a museum or similar institution.
- Get your undergraduate degree.
- Get your graduate degree.
- Adopt a research project and publish it.
- Be willing to work your way up.
- Consider getting your PhD.

-From Wikihow's "How to Become a Curator"

1. Start a gallery in your living room/backyard/bathroom/crawlspace. Make it content-specific, feature only Eastern European video artists or sculpture exclusively made of bubble-gum and condom wrappers. Self-fund it with sales of weed and molly rather than depend on the vicissitudes of the art market.

2. Go radical. Start curating everything. Your shoes, your record collection, your outfits, your walks in the park, your meals, your friends, your sexual positions. Produce business cards on ultra-fine food-grade rice paper with gold leaf that spells your name and "Curator." As soon as your contacts have a chance to read it, wrench it from their hands and slip it into their wine at the opening. Stroll away as this dissolves.

3. Humbly work your way up from lowliest intern. Your success at doing this in some way reflects the possibility of social mobility in your time and place, as even the interns will usually have ivied graduate degrees.

4. Spend \$75,000 to get a dubious degree in curating from an eminent upstate New York College. This will almost guarantee you a starvation-wage position as a curator's assistant. Alternately fetching coffee and having your best ideas filched by your boss.

Note: Gruelling apprentice systems do seemingly allow for at least some well-bred people to spread and rise, proliferating standardized ideas of professional practice, or conversely, a spirited rejection of same. Of all the future curators who take this route, only the very wealthy escape debt that indentures them to their labour.

5. Don't start out as a curator at all, but as a poet, a graphic designer, a dancer, a playwright. Slowly realize that the confines of your medium are too confining. Imagine space and time working in ways that could be funded by the wealthy weird attraction to object ownership, slowly shift over until you're something in-between everything, but you might as well be curator, too.

6. Start out as an artist instead. In school, you're always saddled with organizing the group shows, buying the beer, placating fellow artists' fears, making the invitations, composing the checklist, finding the funding, contacting the press, inviting the audience. Your entire art practice becomes a smudgy line between curating and art, and you grow to feel strange and unnecessary. You are not a keeper of objects, but a maker of experiences, confluences, exchanges, parties, conversations, and immersions. You have no pretensions of responsibility to history but a spirited approach to working with others. In your bio, it says artist but you don't mind if people call you a curator.

7. Become a member of the poverty jet set, writing diary entries for international art publications, taking photographs for chic French fashion magazines, picking up short-term gigs working as a sub-assistant for international biennials. The main payment from the latter is the propinquity to

an internationally renowned super-curator with some disconcerting physical feature and a handsy way of talking at you. You share a full-sized bed with another sub-assistant who has the same degrees as you; only she graduated two years before. Something, sooner or later, really ought to open up.

8. Start your own non-profit and declare yourself Founding Director and Chief Curator.

Note: This is only possible if you, or someone very near you, has a lot of money to throw at this particular provocation/risk. Conversely, you can spend all of your meagre savings and max out your credit cards in a fantastic blaze of glory. Though inadvisable, many colleagues will admire your guts/resent your bravery. Something, somewhere, will open up soon.

9. Take a position at a company that liberally employs the words “creative,” “start-up,” or “disruption.” Whatever it is you do, call yourself a curator. A Curator of Sales, a Curator of Marketing, a Curator of Phone Messages, a Curator of Computer Code, a Curator of Brand Management, a Curator of B2B Strategies, a Curator of Janitorial Arts.

10. Get your PhD. This will eat five-ten years of your life. By the end, you will have grey hair and spook at loud noises and forget almost anything that isn’t the narrow hyper-focus of cultural engagement hoisted onto your life through the necessity of thesis specialization. Big cities both allure and frighten you. Subsequently you only apply to tenure track in small, third-tier cities in the plains or the Mid-West or south-central Florida. Prepare to complain regularly about how glamorous it might be elsewhere, and the chronic under-regard of your work.

11. Get a job at a blue-chip commercial gallery that lets you call yourself curator. Schimmel did it. Gregor Muir did it. The gallery has the snap of a crisp, freshly printed \$100 bill. The predation and heat of sales frighten you, but the gallery is weirdly, blessedly easier to work in than any non-profit. You do tolerate the vitriolic ad-hominem screeds the gallery owner regularly vomits over her staff, or the empty elegance of the sales folks and their quasi-urbane, ultimately conservative manners. No matter how kindly the proprietor or how committed the staff, you have to implicitly accept the clear inequality of a world that makes such places possible.

Your peers look on your move with quietly judgy envy.

A third-cocktail guilt over being some kind of sell-out haunts you, but the next day, you sell a major work of your favourite artist to the most important museum in the world. On your way home from work, you drink a celebratory bottle of wine with the artist. She tells you that with the money she might pay off her loans or put a down payment on a house. Any regret washes away with the next gulp of gin.

12. What is a curator anyway and what is it to become one? Is a curator a keeper of artefacts, an educator of history, an advocate for the new, a protector of the old? A producer, a storyteller, an activist? A fundraiser and a bureaucrat? A gatekeeper, a trendsetter? Sometimes a middle manager with a regular paycheck but very little executive control? Sometimes a maker on par

with their artist colleagues? What obstacles does one generation impose on another to achieve standing? Could Harald Szeeman, the patron saint of all curators, get a job these days even as a security guard at MoMA with his lack of a curatorial degree and his resume as an actor, set designer, and painter?

Curator is a job and a word with a history, a trajectory one can ignore or embrace, accept or reject. For the cost of a few-hundred dollars' worth of books or a few-hundred thousand dollars' worth of private school, you can learn the depth and breadth of this profession from a variety of gurus, practitioners, and geeks that range from self-aggrandizing crypto-fascists to tireless technicians, the soft-hearted communitarian to the rarest of curators, the authentic genius weirdo who stumbled into curating on accident after being a guitar tech for the Grateful Dead, a professional gambler, and an experimental poet.

Most of the best ideas about how to make space for artists, to tell stories through artworks, usually come from outside the manuals. The best ideas are not recited by a professor, but made up in your own head.

You learn what everyone sooner or later does, though it comes off as utterly cliché advice if ever repeated. There is no right or wrong path to become anything really, and besides, you get to decide what success means. Make your own job, career, life. Become whoever you want to be, however you want to be it.

Note: Being a curator is very different than becoming one.

Appendix:

Warning posted at the end of the Wikihow article "How to Become a Curator":

Thanks to federal funding cuts stymieing the expansion and completion of museums, becoming a museum curator is a highly competitive field with more qualified applicants than there are jobs to fill.

Thank You!

Robyn McCallum