manitoba music

SOUND CHECK

2016 | AN ECONOMIC IMPACT ANALYSIS OF MANITOBA'S MUSIC INDUSTRY

Nordicity

SoundCheck 2016

Industry Profile and Economic Impact Assessment of Manitoba's Music Sector

December 2016

by:

Nordicity

Acknowledgements

Nordicity would like to express our sincere gratitude to the many contributors and supporters of this study, including all of the sector stakeholders across the music industry, and those who participated in the online survey, focus group and interviews.

We would also like to express our thanks to Manitoba Music for their dedication and ongoing contribution throughout the project.

Report prepared by Nordicity Group Ltd.

Dustin Chodorowicz, Partner

Stephen Hignell, Manager

Nordicity is an international consultancy providing research and evaluation, strategy, policy and economic analysis for the arts, cultural and creative industries.

For more information, contact: shignell@nordicity.com

Report by Nordicity. NGL16-12-01

Executive Summary

Manitoba has a long history of a thriving music sector. Known for producing quality music, Manitoba punches above its weight as the fifth most populous province in Canada. In 2016, Manitoba companies and industry professionals are doing business across the globe and are recognized at home and abroad for their musical excellence and artistic calibre, cultural diversity, and business distinction. The Manitoba industry continues to be lauded at the Western Canadian Music Awards, winning over half (28 of 51) of the industry award honours over the past six years, which recognize companies from across the four western provinces and two territories. Manitoba artists were acknowledged on the prestigious JUNO stage with four wins in 2015, following up on 2014's impressive nine nominations. Manitoba applicants have a success rate with the Foundation Assisting Canadian Talent on Recordings (FACTOR), Canada's national music industry funder, that exceeds the national average. At home in Manitoba, it is the audiences and industry that together make Winnipeg one of Canada's preeminent music cities.

The Manitoba music industry directly employs over 4,000 artist entrepreneurs and over 660 freelance professionals, and comprises over 170 music businesses. Overall, the industry created over 4,300 FTE jobs and contributed over $55 million in labour income to households across the province. It produced over $93 million in GDP, increasing 31% since 2011, and generated over $32 million in tax revenues for government.

Support mechanisms such as investments from public funders were considered an essential form of support for the music industry, along with travel support. The music industry in Manitoba generated $4.12 for every $1 invested by the provincial government. In sheer financial terms, the provincial investment of $3.1 million helped generate $15.7 million in Manitoba tax revenues, providing a net return of $12.6 million in direct and indirect tax revenue to the province.

The industry generates over $112 million in annual revenues, earning $25 million in export revenues from outside of Manitoba. Growth projections for the industry are high, with nearly three out of four industry members expecting increases in their revenues. There has been a notable shift in financial activity from companies to artist entrepreneurs, where artists are operating increasingly as micro-enterprises, responsible for financing their own activities and hiring the businesses in the supply chain that support their activities.

Beyond the economic benefits, the music industry has significant social and cultural impacts on Manitobans. It is regarded as an important contributor to life in Manitoba and a driver of the creative and cultural vibrancy of the province, playing an important role in attracting and retaining a highly skilled workforce. The music industry intersects with other sectors, enabling the workforce in deploying transferrable skills and talents across all parts of the economy. The music sector is also a key asset for making a city or province a more attractive location, both in terms of residence and tourism, and is an integral part of the night-time economy of a city.

Manitoba Music commissioned SoundCheck 2016 to provide a current sector profile and economic impact assessment of the music industry in Manitoba.

Key Highlights

- The **total economic impact** of the Manitoba music industry was the creation of **4,374 FTE jobs**, **$55.1 million in labour income** and **$93.8 million in GDP**. **Total GDP** grew by 31% from $71.4 million since 2011.
- The **total fiscal impact** of the Manitoba music industry **was $32.2 million generated in tax revenues,** an increase of 22% from 2011.
- The music industry in **Manitoba generated $4.12 for every $1 invested** by the provincial government. In sheer financial terms, the provincial investment of $3.1m helped generate $15.7m in Manitoba tax revenues, providing a **net return of $12.6m** in direct and indirect tax revenue to the province.
- **The Manitoba music industry generated $112.3m in total revenues in 2015,** increasing 21% from $93.2m in 2011.
    - There has been a notable **shift in financial activity from companies to artist entrepreneurs**. **Artist entrepreneur** revenues reached an all-time high of $40.8m in 2015, while **company** revenues reached $71.5m, up 10% from $65.0m in 2011.
    - Live performance and ticket sales accounted for the majority of revenues, totalling $35.9m (50.2%) for companies and $16.9m (41%) for artists.
    - Nearly half of artist entrepreneur revenues (47%) and 10% of company revenues were provincial exports earned from outside the province.

- **Industry expenditures reached $97.8m in 2015**, up 25% from $78.3m in 2011. Artist entrepreneurs accounted for 33% of total expenditures, up 24% from 2011.
    - The most significant expense was on labour, accounting for $27.4m (44%) of company expenditures and $10.8m (34%) for artist entrepreneurs.
- 77% of industry survey respondents indicated that **travel is essential** to build their careers or business in the music sector.
- The greatest barrier to success identified by industry is **access to major industry markets or centres**.
- Other Provincial governments have changed the **competitive environment** in the Canadian music sector with investments such as the $15m per year Ontario Music Fund, and the $15m BC Music Fund.
- The music industry is an important contributor to the **social prosperity of Manitoba** by providing a unique cultural richness and intrinsic value, enhancing the quality of life, fostering social cohesion, attracting and retaining a skilled workforce, developing a strong identity and brand, contributing to the health and wellbeing of residents, and contributing to other provincial sectors.

1. Introduction

Manitoba Music commissioned Nordicity to develop a sector profile and economic impact assessment of the music industry in Manitoba. Previous music industry economic impact assessments were published by Manitoba Music in 2005, 2008 and 2012. As with previous editions, SoundCheck 2016 provides the quantitative data alongside qualitative evidence necessary for informed and sound decision making by industry, government and other stakeholders.

2. Methodology

The methodology comprised both primary and secondary research to collect timely and reliable data, produce an industry profile and economic impact assessment. The main research methods were **desk research**, a **survey of over 449 responses**, **10 stakeholder interviews** and a series of **sector roundtables with 26 stakeholders**, followed by **economic modelling and analysis**.

2.1 Desk Research

Desk research was conducted throughout the project. The desk research was instrumental in informing the design of the survey and interview consultation, as well as the economic modelling and analysis.

2.2 Survey of Companies and Artist Entrepreneurs

A comprehensive online survey was designed and distributed to music companies and artist entrepreneurs in Manitoba. The survey garnered a total of **449 responses**, comprising **115 companies, 22 company employees, 26 artist managers and self-managed artists** and **286 artist entrepreneurs**, with a conservatively estimated population of **172 companies** and **4,011 artist entrepreneurs**.

The survey was widely distributed across Manitoba's music industry for a period of **five weeks** in the winter of 2016.

2.3 Industry Roundtable

One roundtable was held with a cross-section of **seven industry stakeholders** as part of a multilayered consultation. The industry roundtable provided industry feedback on the research and analysis conducted, including the testing and validation of the findings.

2.4 Stakeholder Interviews

A series of stakeholder interviews were undertaken with industry members to capture more nuanced and qualitative accounts of industry issues and opportunities and to contextualize the analysis of data.

A list of stakeholders consulted through the industry roundtable and interviews can be found in the appendices.

2.5 Survey Data Analysis

To derive estimates for the total population of the music industry (‘**N**’) using survey data, a multiplier was applied to responses within the sample size/count (‘**n**’). Responses were examined carefully and weightings were applied based on representativeness of respondents.

To derive estimates for the total music industry population, the following reference points were examined: Statistics Canada employment data, Manitoba Music’s own estimates informed by their member organizations and Nordicity estimates.

To extrapolate the survey data to the industry population size, survey data was analysed and validated as to representation. The process involved determining representation of the responses from a cross-section of industry members such as artist entrepreneurs and freelancers and companies across all music industry activities such as artist, labels, managers, artists, venues, and other important segments of the music sector.

A total of **449 survey responses** were received – sufficient for extrapolating to the overall industry population, while the population size of each segment of the music sector was too small to use the multiplier in confidence. Therefore, each segment was either extrapolated to the population size individually or removed from the quantitative analysis.

2.6 Economic Modelling and Analysis

The economic and fiscal impacts were analysed through Nordicity's economic impact methodology using the data collected through the survey and industry database, desk research, focus groups and interviews.

The economic impact analysis drew upon the data compiled for the industry profile and used the input-output (I-O) tables maintained by Statistics Canada to generate estimates of the impact that the music industry has had on Manitoba's economy.

For analysing the direct impact, Nordicity converted the data from the survey and secondary sources for revenues and operating expenditures into estimates of GDP, wages, income, employment and tax revenues for the federal and provincial governments. The estimates of labour expenditures and operating surplus were summed to arrive at an estimate of the direct GDP generated by the music industry.

For analysing the indirect impact, estimates were derived for the music industry procurement of supplies from other industries (i.e. non-labour expenditures) and the portion of those expenditures that remained in Manitoba. After determining the amount of non-labour expenditures that stay within the province, Statistics Canada's I-O tables were used to convert these into estimates of GDP, labour income and employment on the Manitoba economy.

To estimate the induced impact, Nordicity's MyEIA tool, which uses provincial I-O tables for economic modelling, was deployed.

The total economic impact is calculated by summing the direct, indirect and induced economic impacts. Based on these estimates of economic impacts, Nordicity derived estimates of the total impacts that each activity has on GDP, labour income and employment in Manitoba.

For the fiscal impact, Nordicity's MyEIA was used to generate estimates of the federal and provincial taxes generated by the music industry in Manitoba. The fiscal impact model is based on average effective tax rates for personal income, corporate, consumption (i.e. sales), and property taxes. The effective tax rates were derived from data published by Statistics Canada and applied to the labour income and GDP estimates at each stage of the economic impact modelling (i.e. direct, indirect and induced) to generate estimates of government tax revenue.

2.7 The Culture Satellite Account

The Provincial Territorial Culture Satellite Account (PTCSA) provides a general economic overview of cultural activities across Canada's provinces and territories. Following improvements to the Culture Satellite Account (CSA), PTCSA was first published in 2015, referencing 2010 data, to provide estimates of culture GDP, jobs and other indicators by domain and sub-domain at the provincial and territorial level.

The PTCSA draws on data from multiple sources, including the System of National Accounts and Statistics Canada, among others, to provide measures of output, GDP and employment for the cultural sector in general, and each domain and sub-domain in particular. Due to data limitations and suppression, the PTCSA does not currently report any of the above measures for the music industry in Manitoba. Even if data were sufficiently available and robust, the industrial and product classifications are in some cases difficult to disaggregate for the music industry.[1] Furthermore, the Canadian Framework for Culture Statistics (CFCS), on which the PTCSA is based, separates Music Publishing and Sound Recording (both of which comprise the Sound Recording domain) from live music performance. The latter is classified under the Live Performance domain, along with the performing arts and other festivals and celebrations. As such, the PTCSA is inherently limited in their ability to capture the total economic activity of the music industry.

In order to derive reliable estimates for the music industry, a 'bottom-up' approach is deployed, as was done in SoundCheck 2012 and 2016 and other creative industries studies. Using real industry knowledge of how companies and artist entrepreneurs are operating supported by primary data, and in real time, reliable estimates are derived by extrapolating (or 'grossing up') existing sample data to the known population size. There is a delay in PTCSA reporting, which uses data from the reference year 2010, while the industry-driven 'bottom-up' approach provides an up-to-date snapshot.

The data from the CSA estimates that the sound recording domain nationally saw growth of 7.9% in GDP and 0.6% growth in culture jobs from 2013 to 2014. Meanwhile, Manitoba saw a 3.1% increase in culture GDP and a 4.7% decline in culture jobs from 2013 to 2014.[2]

---

[1] The North American Industry Classification System (NAICS) and Occupational Classification (NOC-S) codes in their current form do not adequately represent the activities and occupations in music sector.
[2] Provincial and Territorial Culture Indicators, 2014. Statistics Canada. 11 May 2016. http://www.statcan.gc.ca/daily-quotidien/160511/dq160511a-eng.pdf

3. Industry Profile

3.1 Industry Benchmarking

A profile of Manitoba's music industry, and an overview of music company and artist entrepreneur activities are highlighted below:

- Manitoba's music industry comprises a conservatively estimated headcount of **4,011 artist entrepreneurs**, **664 freelance professionals** and **172 companies**.[3]
- 85% of Manitoba's music industry survey respondents were **located** in Winnipeg. South Central Manitoba and South West Manitoba accounted for approx. 4% each, followed by 3% in South East Manitoba, 2% in Interlake Manitoba and 1% in Parklands. Approx. 0.5% of survey respondents indicated that they were primarily based outside of Manitoba and were excluded from the analysis.
- 36% were between the **ages** of 25-34. Approx. 28% were aged 35-44, followed by 21% aged 45-59, 9% aged 16-24 and 6% aged 60-75.
- 73% identified their **gender** as male, 25% as female and 2% as other or preferred not to say.
- 80% identified their **ethnicity** as White/Caucasian, 11% as Aboriginal, 3% as Black, 1% each as Latin American and Chinese, 0.5% as Filipino and 5% as 'Other'.
- 73% identified their **primary language** as English, 19% as French, 1% as an Aboriginal language and 7% as Other[4].
- 5% identified as having a **disability**.

---

[3] The number of artist entrepreneurs were conservatively estimated by Manitoba Music and defined as solo artists, composers, songwriters and music groups. The artist population size for 2015 was estimated through an extensive indexing exercise of all the artists that could be accounted for in Manitoba based on primary and secondary research, including industry contact databases provided by study partners.

[4] Other languages noted included Spanish, German, African languages, Icelandic, Italian, Japanese and Hebrew.

- 87% identified their **sexual orientation** as heterosexual, 5% as LGBTQI*, and 8% other or preferred not to say.
- 72% were **educated** by college or university, 62% self-taught, 55% each as taught informally by other people and through primary or secondary school, 40% private lessons, and 12% performing arts school.[5]

See the appendices for the full survey profile charts.

3.2 Financial Activity (Companies and Artist Entrepreneurs)

Industry Revenues

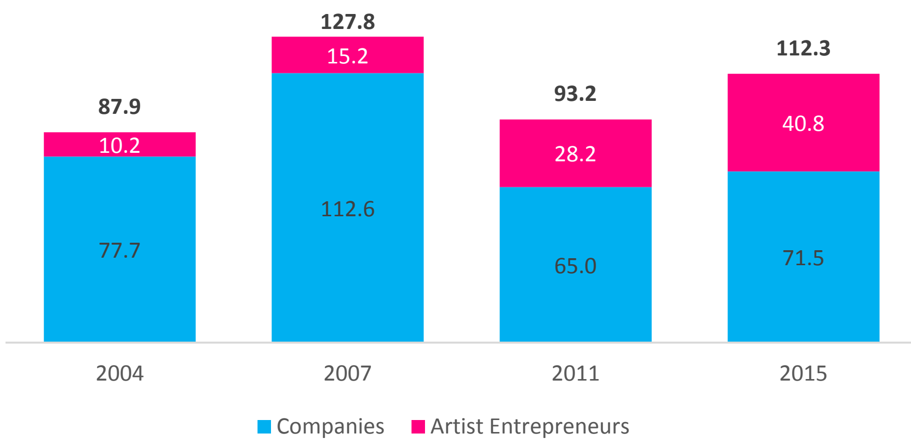
The Manitoba music industry generated $112.3m in total revenues in 2015.[6] Total revenues increased 21% from $93.2m in 2011 and 28% from $87.9m in 2004. Mirroring the international trend of declining global music revenues, revenues were higher in 2007, reaching $127.8m.[7]

- **Artist entrepreneur** revenues reached an all-time high of $40.8m in 2015, up 45% from $28.2m in 2011 and nearly tripling from $10.2m in 2004.
- **Company** revenues reached $71.5m in 2015, up 10% from $65.0m in 2011. Following global trends, company revenues were higher in 2007, reaching $112.6m.
- Meanwhile, there has been a notable **shift in financial activity from companies to artist entrepreneurs**. The share of total industry revenues generated by artist entrepreneurs increased to 36% from 30% in 2011 and 12% in both 2007 and 2004, vis-a-vis the share of company revenues decreasing from 88% in both 2004 and 2007 to 70% in 2011 and 64% in 2015.

---

[5] All that apply.
[6] Note: A change of methodologies and definitions of artist entrepreneurs and music companies in 2011 may account for some of the differences in figures. In addition, the global music industry has undergone seismic changes in this period, with significant changes in income sources and a 33% decline in total revenues since 2005, according to IFPI's Global Music Report 2016.
[7] According to IFPI's Global Music Report 2016, global industry revenues declined 21% between 2007 and 2015, from $18.1 billion USD down to $15 billion USD.

Figure 1: Total Industry Revenues 2004-2015 ($ Millions)



Sources: An Economic Impact Analysis of Manitoba's Music Industry, 2005, 2008, 2012 and 2016.

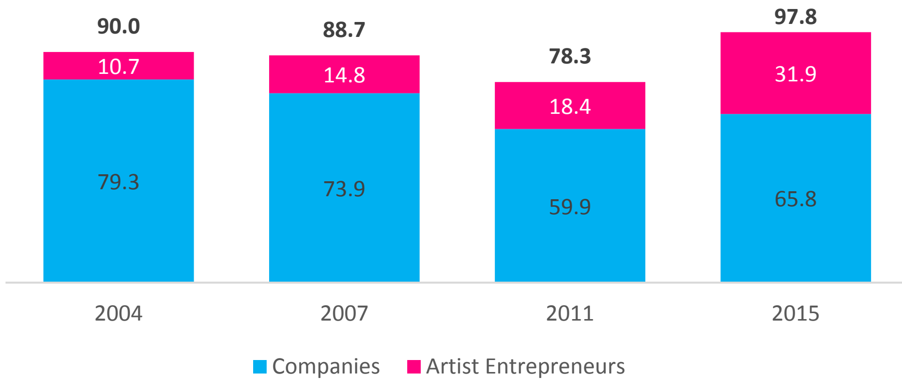
Note: Figures for 2004 and 2007 include financing and agency / government funding. Figures may not sum due to rounding.

Industry Expenditures

The Manitoba music industry had expenditures $97.8m in 2015. Industry expenditures increased 25% from $78.3m in 2011, 10% from $88.7m in 2007 and 9% from $90.0m in 2004.

- **Artist entrepreneur** expenditures reached an all-time high of $31.9m in 2015, up 74% from $18.4m in 2011 and tripling from $10.7m in 2004.
- **Company** expenditures reached $65.8m in 2015, up 10% from $59.9m in 2011. Expenditures were down 11% from $59.9m in 2011 and 17% from $79.3 in 2004, a year in which expenditures exceeded revenues.
- Artist entrepreneurs accounted for 33% of total industry expenditures, an increase from 24% in 2011, 17% in 2007 and 12% in 2004. This steady increase mirrors the shift throughout the province's industry towards artist entrepreneurship.

Figure 2: Total Industry Expenditures 2004-2015 ($ Millions)



Sources: An Economic Impact Analysis of Manitoba's Music Industry, 2005, 2008, 2012 and 2016.

Note: Figures for 2004 and 2007 include financing and agency / government funding. Figures may not sum due to rounding.

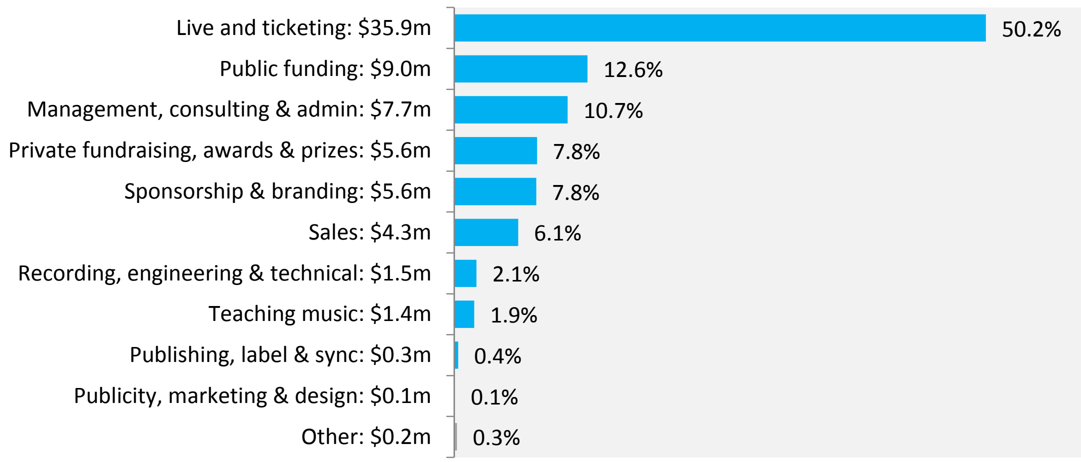
Companies and artist entrepreneurs have different activities, and as such they are reported on separately in their own sections.

3.3 Profile of Music Companies

Company Revenues

The live sector is fundamental to companies in Manitoba's music industry. Company revenues totaled $71.5m in 2015. Live performance and ticket sales accounted for the majority of company revenues, totalling $35.9m (50.2%). In a distant second, public funding accounted for $9.0m (12.7%), followed by management, consulting and administration for $7.7m (10.7%), private fundraising, awards and prizes for $5.6m (7.8%), sponsorship and branding for $5.6m (7.7%), and sales (both physical and digital) for $4.3m (6.1%). Meanwhile, recording, engineering and technical accounted for $1.5m (2.1%), teaching music for $1.4m (1.9%), publishing, label and sync for $0.3m (0.4%), publicity, marketing and design for $0.1m, and 'other' various revenue sources accounted for $0.2m (0.3%).

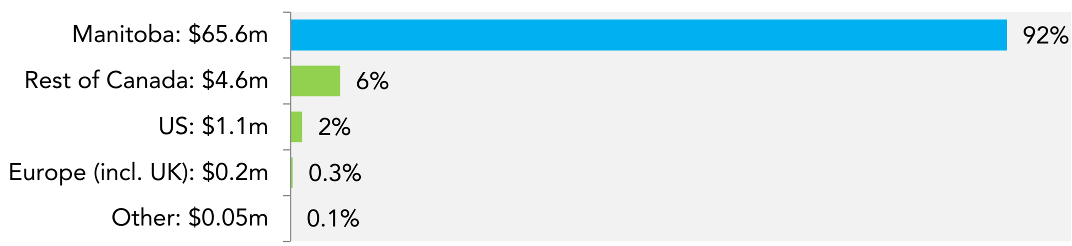
Figure 3: Company Revenue Sources ($ Millions)



Geography of Revenues

Nearly 10% of company revenues were provincial exports earned from outside of Manitoba, totalling $5.9m. Provincial exports included $4.6m from the rest of Canada, $1.1m from the US, $0.2m from Europe (incl. UK), and $0.05 from other markets. A total of $65.6m revenues were domestic, earned from Manitoba.

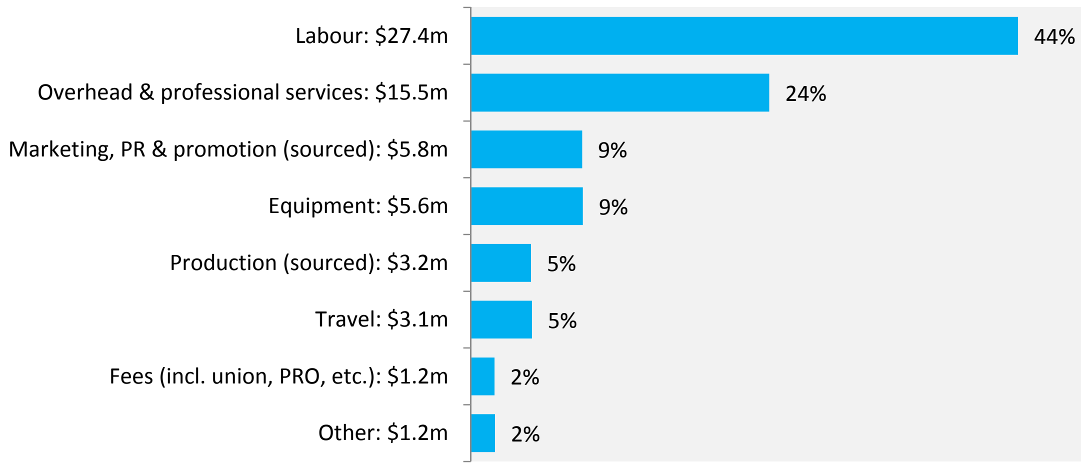
Figure 4: Company revenue by source (Geographic market)



Company Expenditures

Company expenditures totalled $65.8m in 2015. The music industry is a predominantly labour-based sector, and through these expenditures, is an important contributor to employment. The most significant company expense was employment, which accounted for $27.4m (44%) of company expenditures. Overhead and professional services accounted for $15.5m (24%) of company expenses, followed by marketing, PR and promotion for $5.8m and equipment for $5.6m (9% each), production (sourced) for $3.2m and travel for $3.1m, and fees (including union dues, performing rights society (PRO) fees, etc.) and other expenses for $1.2m (2%) each.

Figure 5: Company Expenditure Breakdown ($ Millions)

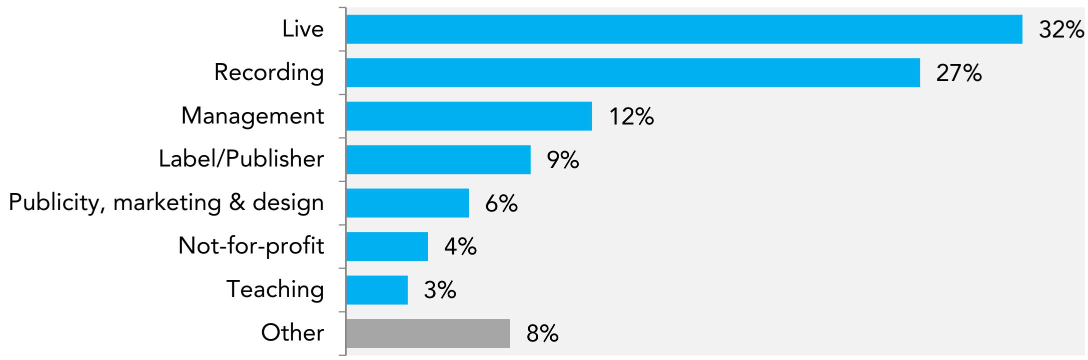


Company Roles and Activities

The music industry infrastructure in Manitoba is comprised of 664 freelance professionals and 172 companies, many of which work across multiple roles and activities as part of the sector value chain. Reflecting the diversification of industry activities, companies were asked to self-identify which sole primary activity applied to their business in Figure 6. See Figure 44 in the appendices for companies self-identifying all activities that apply.

Of all the activities self-identified by companies, producer or engineer was the most common (both in terms of all company activities and primary role), accounting for 19% of survey respondents. Manager/management accounted for 12% of companies, followed by labels, recording studios and general festivals (8% each), music festivals (7%), publicity, marketing and design services (6%), music venues and agents (5% each). Music industry not-for-profit organisations, general arts venues and music teachers accounted for 4% each, followed by presenters/promoters (3%) and publishers (1%). Other accounted for 8% of company primary roles, and included CD/DVD Duplication, AV post production, IT and administrative work.

Figure 6: Company primary activity: Simplified (Self-identified sole role)

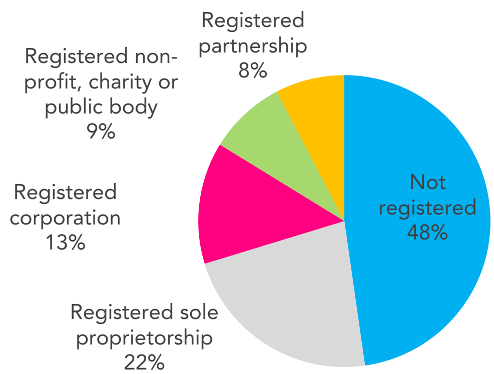


Count=103

Company Structure

Over half of the companies surveyed had registered as a business or non-profit, comprising registered sole proprietorship (22%), registered corporation (13%), registered non-profit, charity or public body, and registered partnership (9%). The remaining 48% of companies had not registered as a business or non-profit, and comprised the sector's significant workforce of freelance professionals.

Figure 7: Company structure

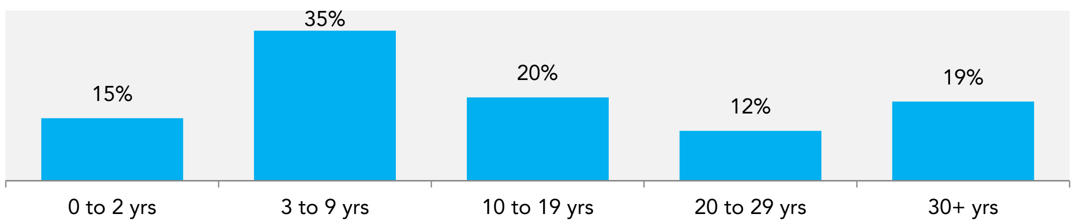


Count=227

Company Age

Approximately half of all companies surveyed were under 10 years old. Of these, startups founded within the last two years comprised 15% of companies surveyed, while over one-third of companies were between 3-9 years old (35%). One-fifth were between 10-19 years old (20%), 12% were between 20-29 years old, and 19% were over 30 years old.

Figure 8: Company years in business

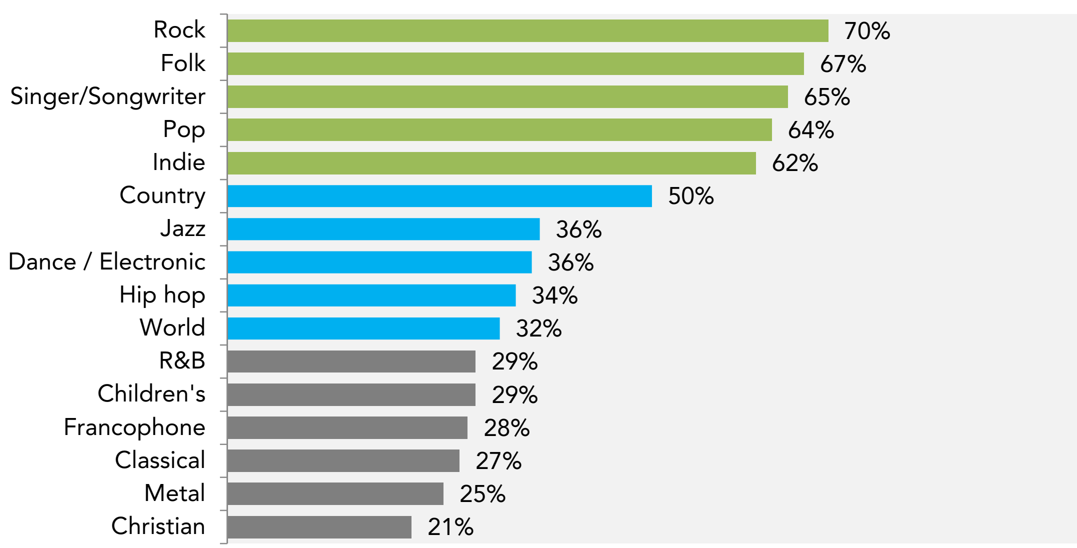


Count=102

Company Genres Supplied

Companies tend work across many different genres. When asked to select all genres that apply to their work, rock was the most common genre (70%), followed closely by folk (67%), singer/songwriter (65%), pop (64%) and indie (62%). Country was worked in by half of companies surveyed (50%), followed by jazz and dance/electronic (36% each), hip hop (34%) and world music (32%). R&B and children's music was worked in by under a third of companies (29% each), followed closely by Francophone (28%), classical (27%), metal (25%) and Christian (21%).

Figure 9: Genres Companies worked in (All)

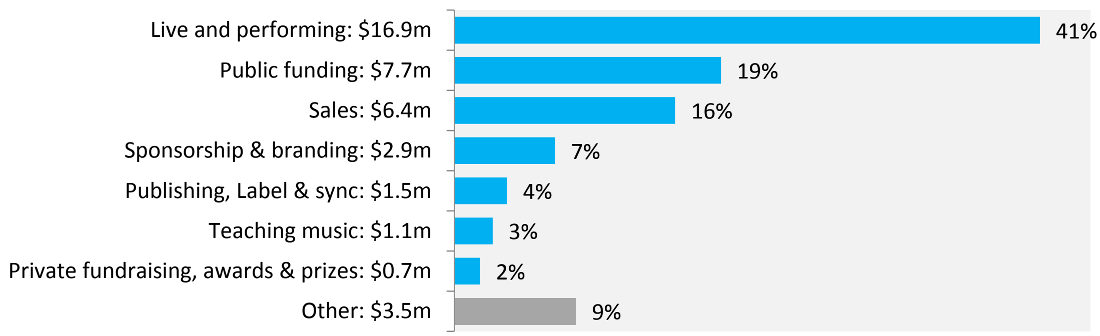


3.4 Profile of Artist Entrepreneurs

Artist Entrepreneur Revenues

The live sector is fundamental to artist entrepreneurs in Manitoba's music industry. Artist entrepreneur revenues totalled $40.8m in 2015. Live music and performing accounted for the most artist entrepreneur revenues, totalling $16.9m (41%). The next most significant source of revenues came from public funding, accounting for $7.7m or nearly one-fifth (23%) of total artist entrepreneur revenues, followed by sales for $6.4m (16%), sponsorship and branding for $2.9m (7%), publishing, label and sync for $1.5m (4%), teaching music for $1.1m (3%), private fundraising, awards and prizes for $0.7m (2%). Revenues from 'other' various sources accounted for $3.5m (9%).

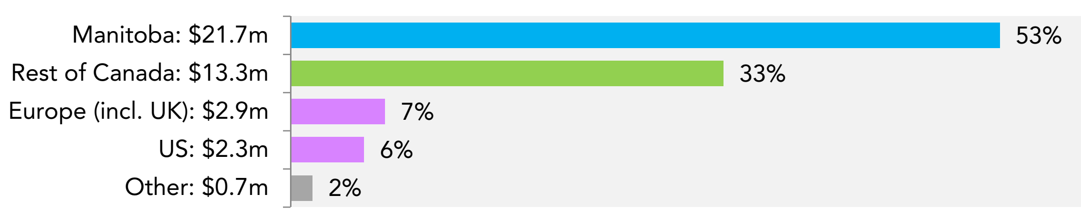
Figure 10: Artists' sources of revenue



Geography of Revenues

Nearly half of artist entrepreneur revenues were provincial exports earned from outside of Manitoba, totalling $19.1m. Provincial exports included $13.3m coming from the rest of Canada (33%), followed by $2.9m from Europe (7%), $2.3m from the US (6%) and $0.7m from other markets (2%). A total of $21.7m of artist entrepreneur revenues were domestic, earned from Manitoba.

Figure 11: Artists' sources of revenue by geographic market (Registered as a company)

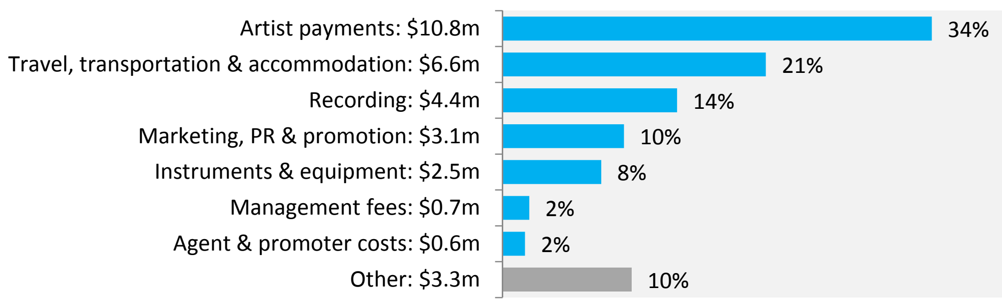


Note: Artist entrepreneurs registered as a company only. May not sum to 100% due to rounding.

Artist Entrepreneur Expenditures

Artist entrepreneur expenditures totaled $31.9m in 2015. Labour costs are the most significant expenditure for artist entrepreneurs, and contributors to employment. The most significant expense was paying other artists, accounting for $10.8m, or over one third (34%) of total artist entrepreneur revenues. Travel costs were also significant, accounting for $6.6m (21%). Recording costs accounted for $4.4m (14%), followed by marketing, PR and promotion for $3.1m (10%), instruments and equipment for $2.5m (8%), management fees for $0.7m (2%), and agent and promoter costs for $0.6m (2%). Various 'other' costs accounted for $3.3m (10%) of total artist entrepreneur expenditures.

Figure 12: Artists' expenditures by type



Artist Entrepreneur Activities

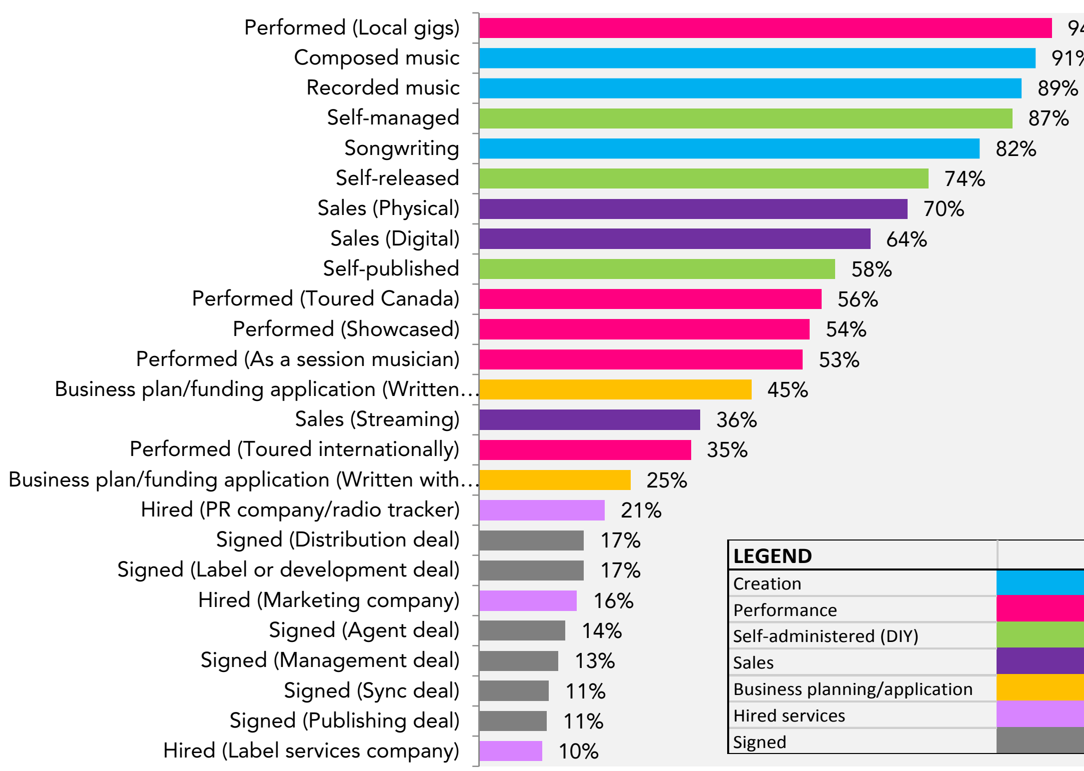
Artist entrepreneurs work across multiple roles and activities, and rarely stick to just one specialization. Reflecting the diversification of industry activities, artist entrepreneurs were asked to identify all activities which applied to their careers.

Overall, **creative activities** such as performing and creating music were the most significant for the vast majority of artist entrepreneurs, followed by **self-management/administration** and **sales**. Engaging **industry infrastructure** to grow a team, such as hiring or signing, were the least prevalent types of artist activities.

- The most predominant activity across all artist entrepreneurs was performing local gigs, which was undertaken by 95%. This was followed closely by composing music (91%), recording music (89%) and songwriting (82%).
- Self-management and administration was significant, where namely with self-managing their careers (87%) and self-publishing (58%).
- Sales and distribution activities were also prominent, including releasing music without a label (74%), physical sales (70%), digital sales (64%).

- Next, live performance of all forms was a prevalent activity, undertaken by over half of artists surveyed. This included touring in Canada (56%), live showcases (54%), and performing as a session musician (53%), while over a third had toured internationally (35%).
- Just under half of artists had written their own business plan or funding application independently (45%), while a quarter had written one with support from someone else, such as a manager or grant writer (25%).
- Engaging with industry infrastructure to grow a team was done by fewer than a quarter of artist entrepreneurs. Hiring a label services company, seen as a growing industry trend, was still least prominent of all activities listed (10%), hiring a marketing company was undertaken by 16%, and hiring a PR company or radio tracker by 21%. Signing deals with music companies was limited to a select group of artists, including signing a publishing or sync licensing deal (11% each), signing a management deal (13%), signing with an agent (14%), and signing a distribution deal or label/development deal (17% each).

Figure 13: Artist activities (All)

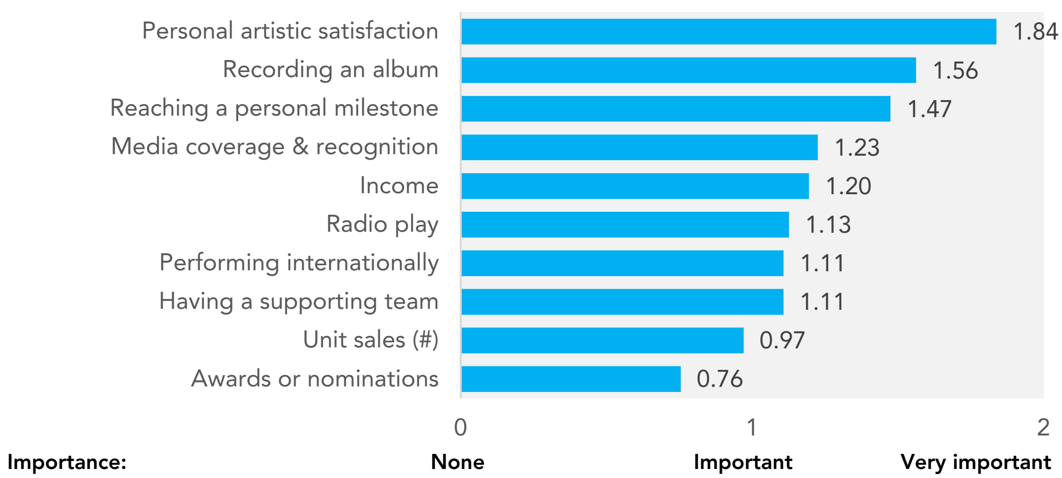


Count=262

Artists' Measures of Success

Artists have a wide variety of motivators and measures of success. On average, artists surveyed valued their own personal artistic satisfaction as the most important self-measure of success, followed by the milestone of recording an album, or reaching another personal milestone of their own. Gaining media coverage and recognition was considered very important, alongside generating income from their career as an artist, gaining radio play, performing internationally and having a supporting team (such as engaging with industry infrastructure to grow a team behind them). Some more traditional forms of commercial success, including unit sales and awards or nominations, were deemed relatively less important, albeit still important.

Figure 14: Artists' self-measures of success

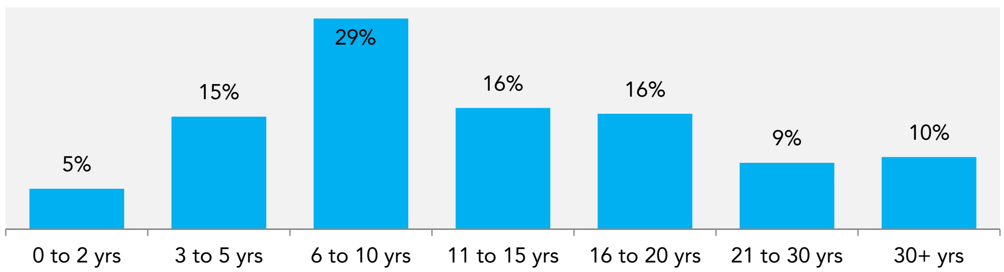


Count=262

Artist' Years of Experience

Approximately half of all artist entrepreneurs surveyed had begun their careers within the last 10 years. Artists starting their career with the last two years comprised 5% of all surveyed, while 15% started within the last 3-5 years, and 29% within the last 6-10 years. Another 16% had between 11-15 years of experience and 16-20 years of experience each, while 9% had between 21-30 years of experience and 10% had over 30 years of experience. The number of artists appears to drop off after the 10 year mark, and it is at this time in many artists' careers that they need the business stability in order to develop their careers and achieve the stability required to stay in the industry.

Figure 15: Artists' length of artistic career (years working as an artist)

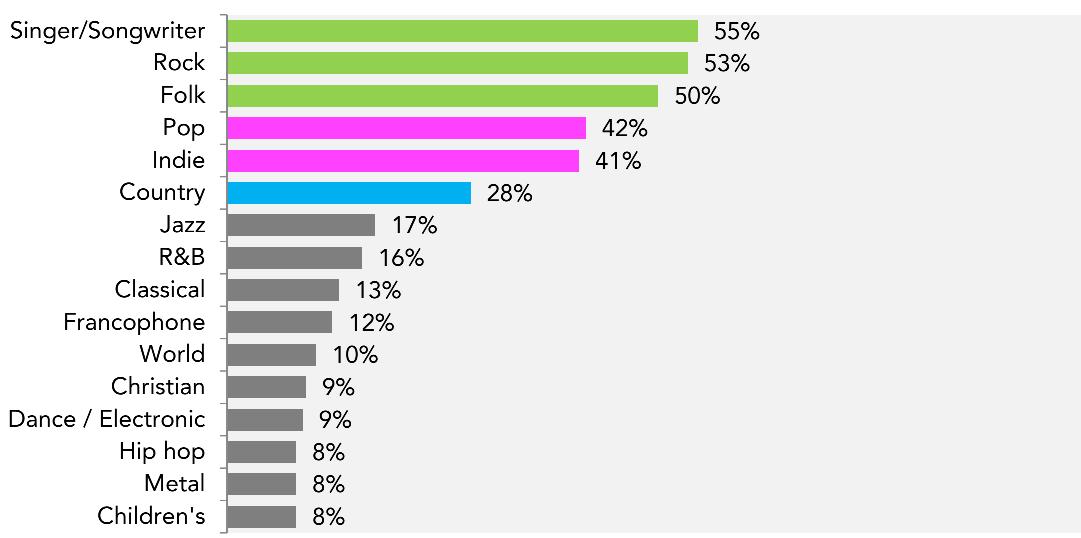


Count=256

Genres Artist Entrepreneurs Worked In (All)

Artists tend to work across various different genres, and many chose not to identify with any particular genre taxonomy. When asked to select all genres that apply most closely, singer/songwriter was the most common (55%), followed closely by rock (54%) and folk (50%). Pop was relevant for under half of artist entrepreneurs (42%), along with indie (41%), followed by country for over a quarter of artist entrepreneurs (29%). Jazz was worked in by 17% of artist entrepreneurs, followed by R&B (16%), classical (13%), Francophone (12%), world (10%), Christian and dance/electronic (9% each), and hip hop, metal and children's (8% each).

Figure 16: Genres Artists Entrepreneurs Worked In (All)

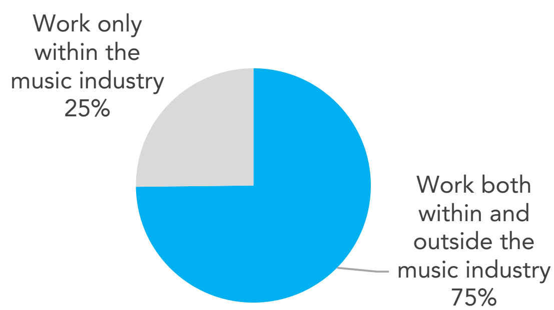


Count=262

Artist Entrepreneurs' Supplementary Income

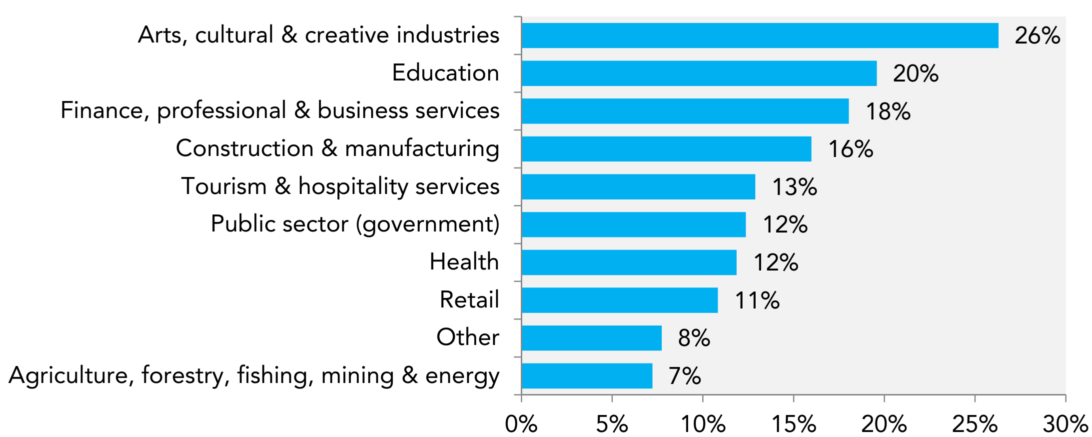
A majority of artist entrepreneurs supplement their income by also working outside the music industry (75%), some by choice and others by financial need. Of those working outside the music sector, the most significant was working in other arts, cultural and creative industries (25%), followed by education (20%), finance, professional and business services (18%), and construction and manufacturing (16%). Other sectors employing artist entrepreneurs include tourism and hospitality services (13%), public sector and the health sector (12% each), retail (11%) and agriculture, forestry, fishing, mining and energy (7%). Another 8% of those artist entrepreneurs supplementing their income worked in 'other' sectors, including not-for-profit, community work and advocacy.

Figure 17: Artists also working outside the music industry



Count=198

Figure 18: Sectors also worked in (only those who also work outside of music)



Count=198

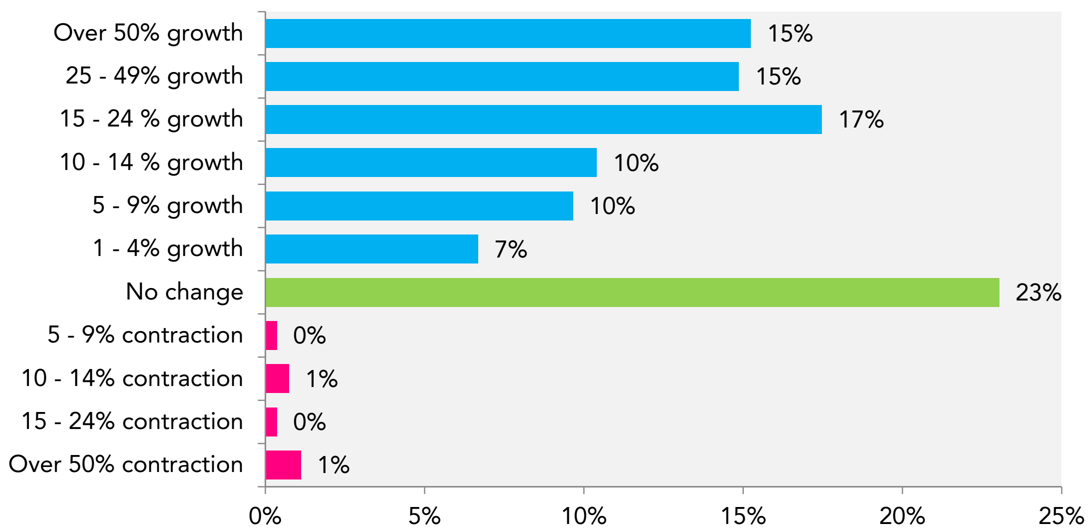
3.5 Looking Ahead: Industry Opportunities and Barriers to Growth

In the context of the industry profile and economic impact, looking ahead there exist a number of industry opportunities and barriers to growth for artists and companies alike. The opportunities and barriers identified in this section provide strategic guidance for the future of the industry.

Future Growth Projections

The future of the music industry in Manitoba looks positive. Over the next two years, a majority of industry members expect their income to grow (74%), while nearly a quarter of survey respondents expect no change (23%), and only a small fraction expect any form of contraction (2%).

Figure 19: Perceived growth forecast

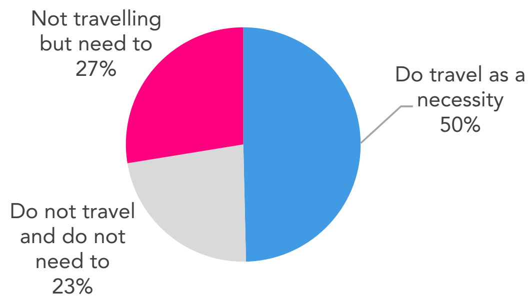


Count=269

Importance of Travel

Travel is an integral part of the music business. In Manitoba, 77% of industry survey respondents indicated that travel is essential to build their careers or business in the music sector. Of these, half actively travel as a direct necessity (50%) and over quarter do not yet travel but recognize their need to in the future (27%). Just under a quarter of respondents indicated they do not need to travel (23%).

Figure 20: Perceived need for travel

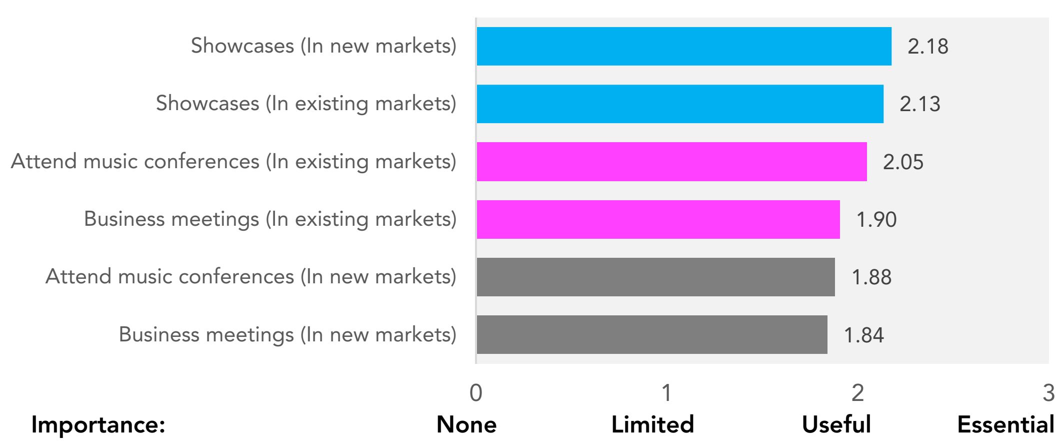


Count=272

The imperative of travel stems from the need for artist entrepreneurs and companies to reach new markets outside of Manitoba in order to maintain and grow their businesses. Travel is important for a number of business reasons, with industry rating showcases as the most important (both in new markets and existing markets). Travel was also very useful for attending music conferences and conducting business meetings in markets they are already active in. Attending music conferences and business meetings in new markets were also deemed useful.

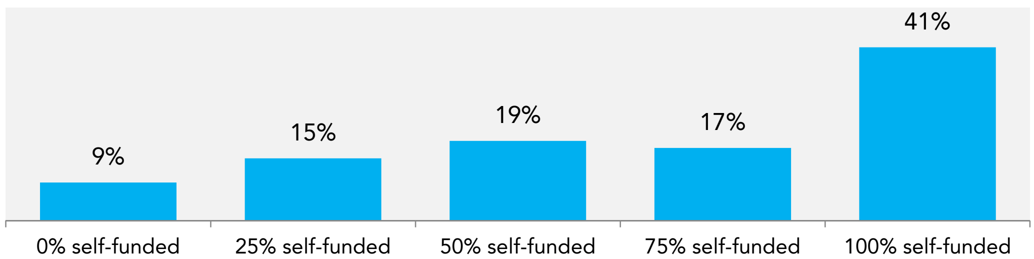
In addition to support for travel from funding organizaitons, the industry makes a significant investment in travel, including 41% who self-fund all of their travel, and 50% who self-fund some of their travel. Nine percent indicated their travel was paid for by someone else.

Figure 21: Perceived importance of travel



Count=135

Figure 22: Source of travel financing

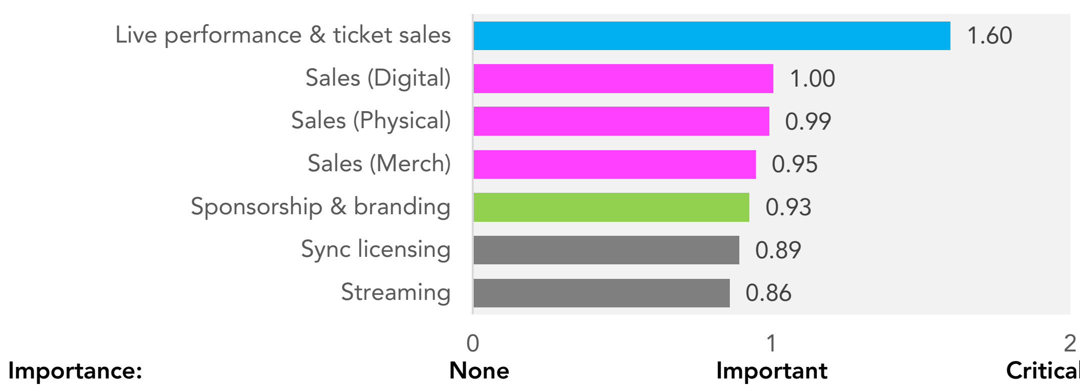


Count=135. May not sum due to rounding.

Importance of the Sources of Revenue

As noted in the industry profile, artist entrepreneurs and companies derive their income from a multitude of diversified and disaggregated income streams. When asked about the future importance of these sources of revenue over the next five years, live performance and ticket sales were expected to be the most critical source by far. Sales (digital, physical and merch) were expected to be the next most important, followed closely by sponsorship and branding, sync licensing and streaming.

Figure 23: Perceived importance of revenue streams



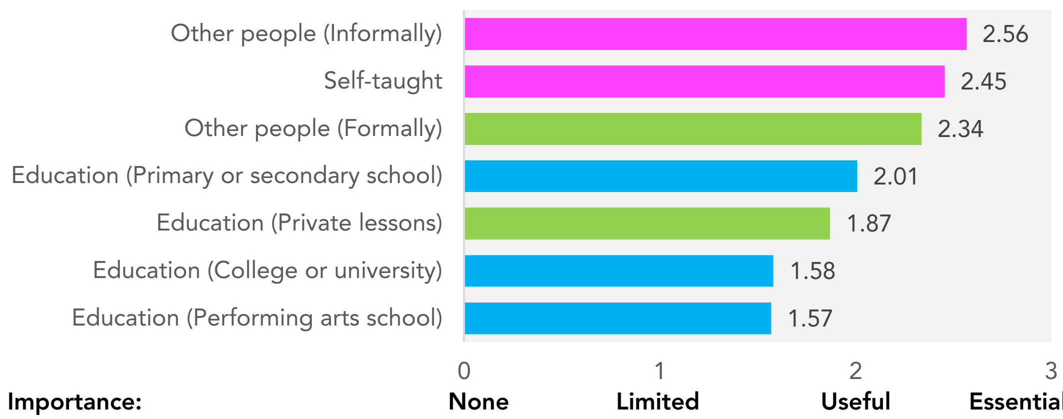
Count=275. Importance scale 0-2. Artists and companies registered as a business only.

Importance of Education Types

Skills, training and education takes many forms in the music industry, including both formal and informal types. When asked how useful various types of education are for learning to work in the music industry, informal methods were deemed a priority.

Informal learning from other people was deemed the most useful for working in the music industry. Learning from other people informally was identified as the most essential type of education, followed closely by self-taught learning. Learning formally from other people such as mentorships or fellowships was also considered essential, as well as learning from private lessons. Formal education was deemed useful, although methods such as primary or secondary school, college or university and performing arts school all ranked after informal methods.

Figure 24: Perceived importance of education types

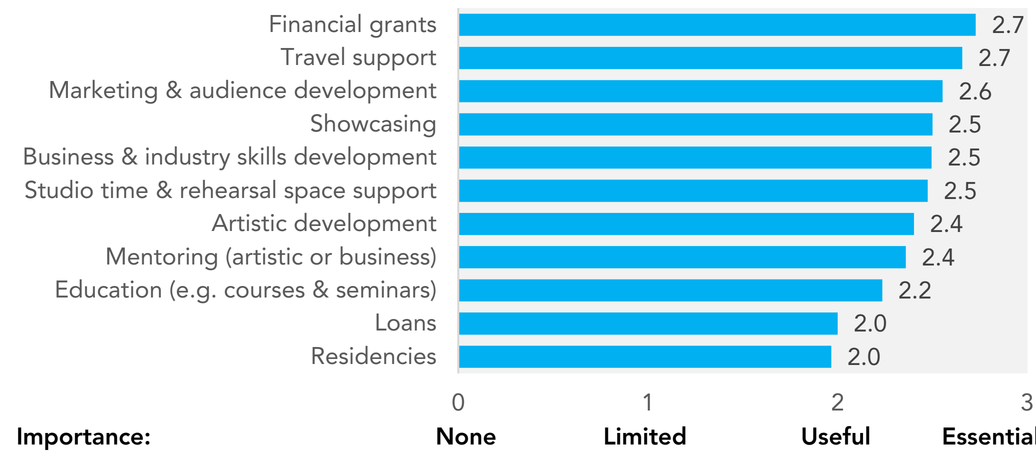


Count=278. Importance scale 0-3.

Industry Support Mechanisms

As with many sectors, a number of industry support mechanisms exist to provide various interventions. When asked how useful each of the industry support mechanisms are for every artist entrepreneur and company's own situation, financial grants were considered as the most essential form of support for the music industry, along with travel support. Support for marketing and audience development was also considered essential, followed closely by showcasing, business and industry skills development, studio time and rehearsal space support. Other supports considered useful for career and company development in order of importance were artistic development support, mentoring (both artistic and business), and education, followed lastly by loans and artist residencies.

Figure 25: Perceived utility of support types

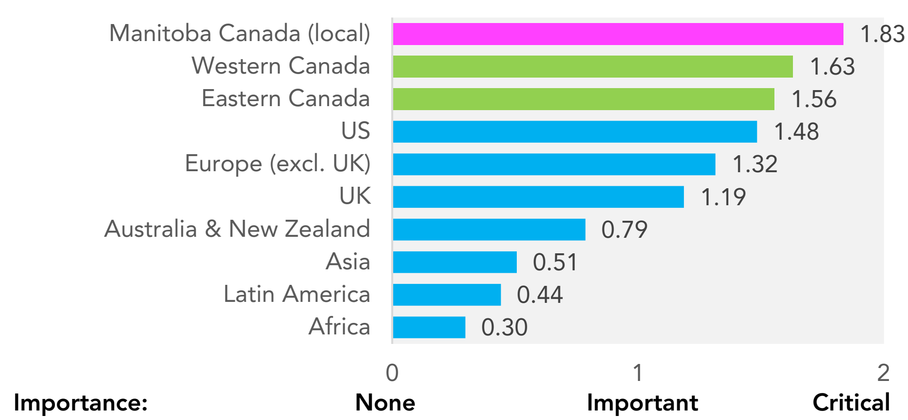


Count=269. Importance scale 0-3. Artists and companies registered as a business only.

Importance of Key Music Business Markets

As a global sector, Manitoba's music industry reaches far beyond the province to access new markets across Canada and internationally. When asked how important geographic markets were to their careers and businesses, the local Manitoba market was perceived as most critical. The rest of Canada was also considered critical, first in Western Canada and then in Eastern Canada. The US market was perceived as very important, along with Europe and the UK. Australia and New Zealand were considered important, while Asia, Latin America and Africa were considered somewhat important.

Figure 26: Perceived importance of key music business markets

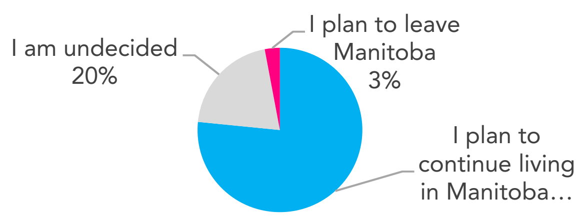


Count=270. Importance scale 0-2. Artists and companies registered as a business only.

Expected Residence Plan

Manitoba is valued as a highly attractive place in which to live and conduct business as an artist entrepreneur or company in the music industry. When asked where they expected to base their companies or careers in the next five years, the vast majority planned to continue living in Manitoba (77%). One fifth of artist entrepreneurs and companies were undecided where they would be located in five years, and a small fraction expected to leave Manitoba in the next five years (3%).

Figure 27: Expected residence plan in the next five years



Count=264

General Provincial Strengths and Weaknesses

As an attractive market for both artist entrepreneurs and companies, survey respondents identified all of the factors listed as strengths for the province (Figure 28). The greatest overall strength of Manitoba's music industry was the cost of living. Other strengths included the collaboration among the local sector (artists and industry), followed by the community support towards the sector (the value everyday Manitobans place on the local music scene), and the music industry's crossover with other arts, cultural and creative sectors in Manitoba. An inspiring landscape was a minor strength, along with the access or links to markets outside of Manitoba.

Figure 28: Perceived strengths and weaknesses of Manitoba as a music industry

Count=259. Scale -2 to +2.

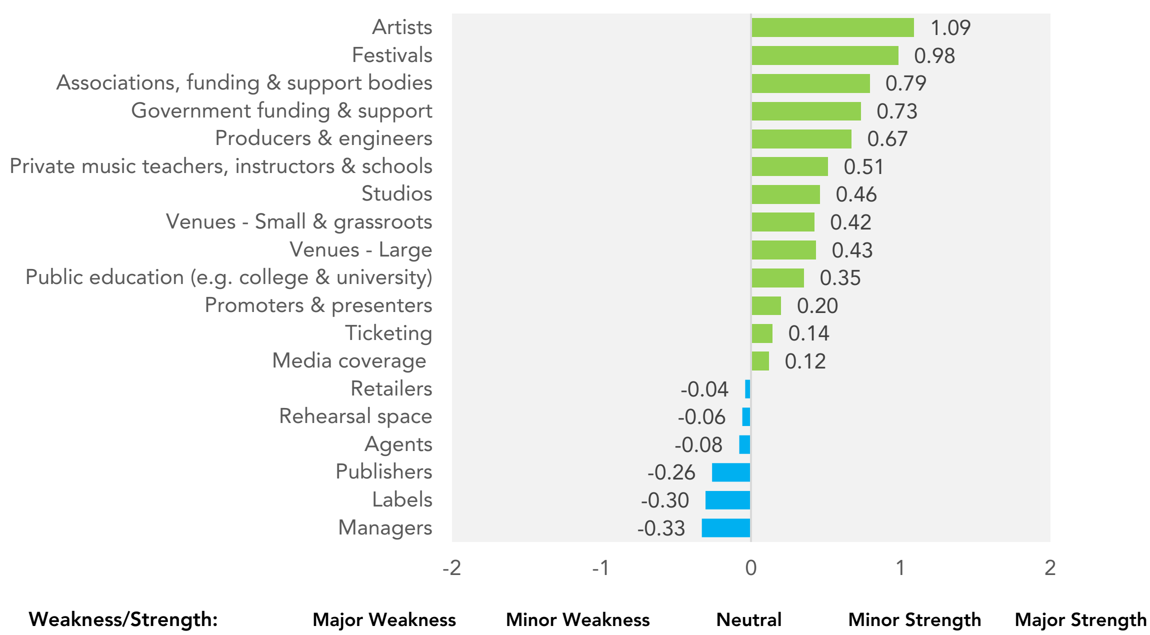
Industry Infrastructure Strengths and Weaknesses

The music industry infrastructure is comprised of artist entrepreneurs, companies and freelancers across the value chain. When asked to rate the state of each of the industry infrastructure, artists were considered the greatest strength. Festivals, were also considered a major strength, followed by the industry support bodies (associations and funders), government support and the producers and engineers working in the recorded and live sectors.

Music teaching was considered a minor strength in Manitoba, along with the province's studios, venues (small and large), and public education in the province's colleges and universities. Other minor strengths included music promoters and presenters, ticketing and the media (or state of media coverage) within the province.

The biggest infrastructure challenges were facing the state of managers, which were considered a minor challenge. Other very minor challenges were the situation for label and publishers, followed by agents, rehearsal space and music retailers.

Figure 29: Perceived strengths and weaknesses of infrastructure in Manitoba's music industry

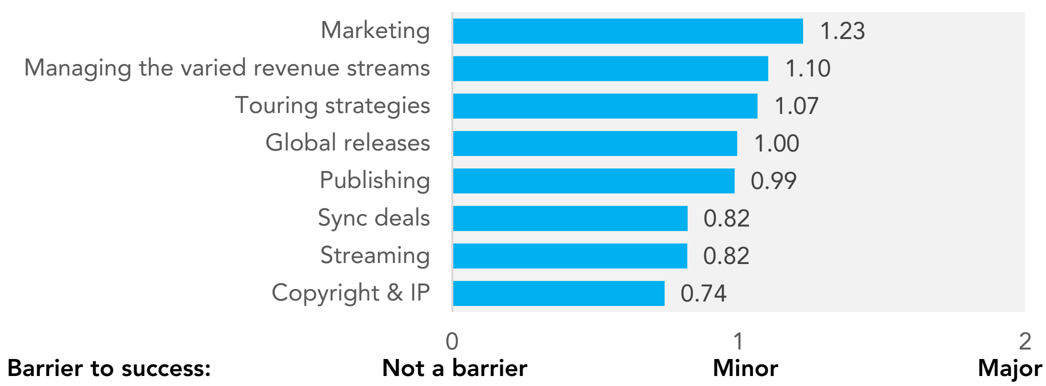


Count=259. Scale -2 to +2.

General Industry Barriers to Growth and Success

As with any sector, there are a number of barriers to growth and success for the Manitoba music industry. When asked what they considered to create the most significant barriers to success, artist entrepreneurs and companies identified challenges around marketing as the most major. Other significant barriers included the task of managing all of the varied and disaggregated revenue streams of today, followed by the task of developing touring strategies, managing global releases, and the process of publishing. Minor barriers inhibiting success were identified as managing sync licensing deals, managing streaming rights, and managing copyright and intellectual property (IP).

Figure 30: Perceived barriers to success in the music industry



Note: Includes artist entrepreneurs and companies registered as a business only.

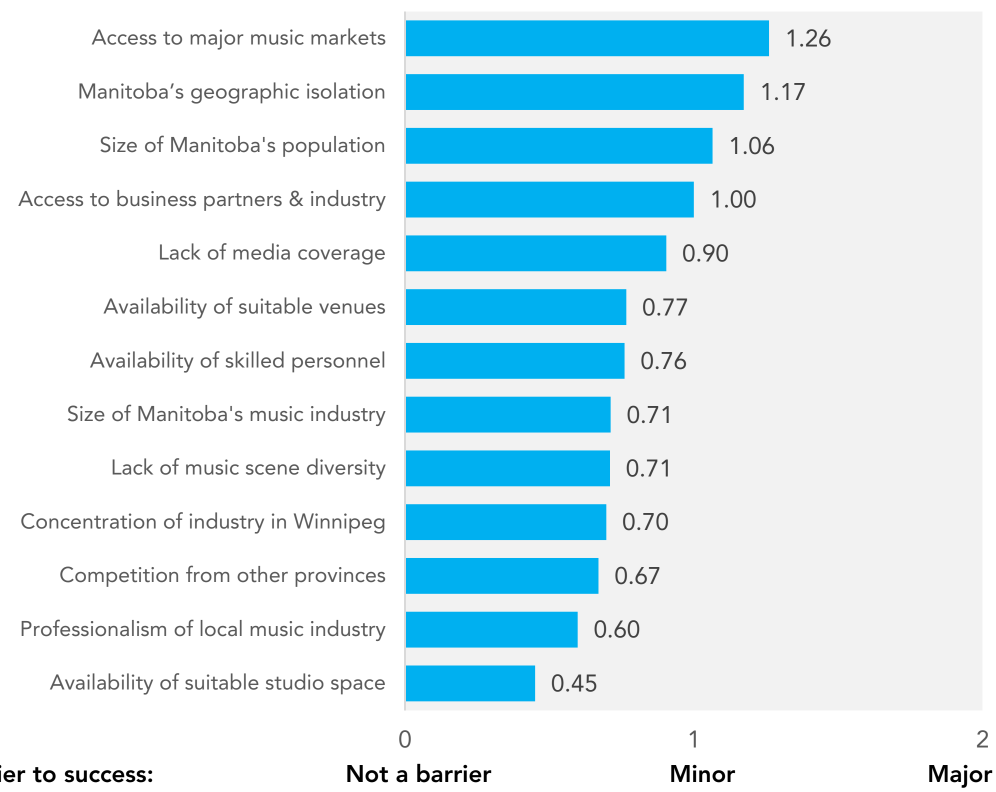
Barriers Facing Manitoba

For Manitoba's music industry in particular, the greatest perceived barrier to success identified by artist entrepreneurs and companies is access to major music markets or centres. Other major barriers to success include Manitoba's geographic isolation, followed by the size limitations of the Manitoba market (population) and access to business partners and industry.

Other minor barriers include a lack of media coverage, availability of suitable venues, availability of skilled industry personnel, the limited size of the music industry in Manitoba, a lack of diversity in the sector and a concentration of the sector within

Winnipeg. Limited barriers include competition from other provinces, professionalism of the local music industry and the availability of studio space.

Figure 31: Perceived barriers to success for Manitoba's music industry

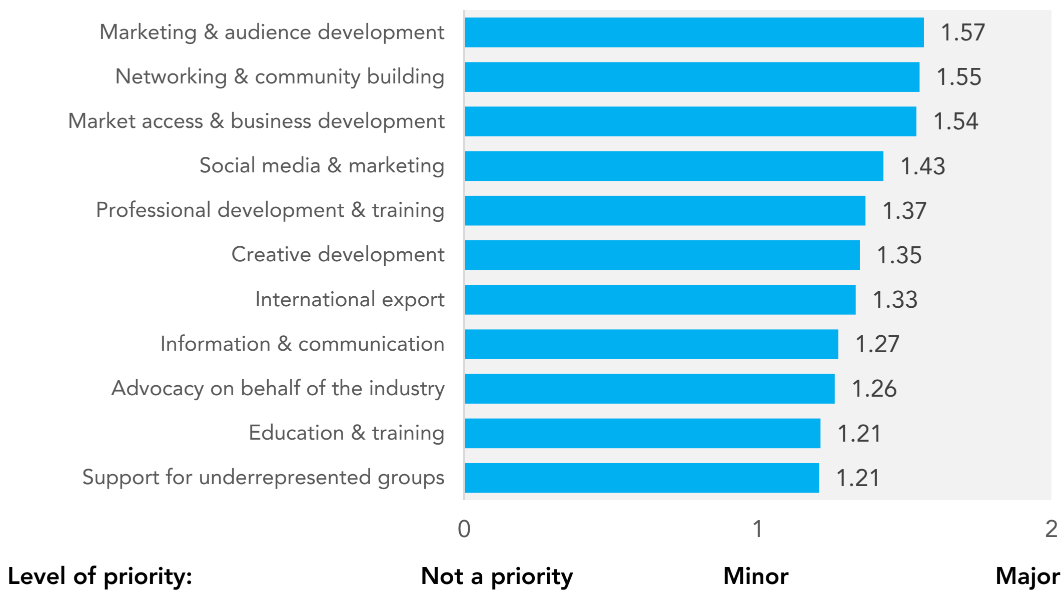


Note: Artists and companies registered as a business only.

Priority Development Areas

There are a number of opportunities to invest in and further develop and grow the music industry in Manitoba. When asked to prioritise the areas for development, artist entrepreneurs and companies rated marketing and audience development as the most significant. Other major areas for development included networking and community building, market access and business development, and social media marketing. Other significant barriers, in order of priority, included professional development and training, creative development, international export, industry information and communication and advocacy on behalf of the industry. Other priorities included education and training and support for underrepresented groups in Manitoba, and although they rated lower than other priorities, they were still considered significant.

Figure 32: Perceived areas of priority for development in Manitoba's music industry



Note: Includes artists and companies registered as a business only.

4. Economic Impact and Social Contribution

The music industry is an important contributor to Manitoba's society and economy. To assess its contribution to the province, three distinct impacts were assessed including the music industry's social, economic and fiscal (tax) contribution.

4.1 Economic Impact

The **total economic impact** of the Manitoba music industry was the creation of 4,374 FTE jobs, $55.1 million in labour income and $93.8 million in GDP in 2015.

- The **total GDP impact** of the Manitoba music industry grew by 31% from $71.4 million since 2011.
- The **direct economic impact** of the Manitoba music industry was the creation of 3,848 FTE jobs, $33.0 million in labour income and $48.6 million in GDP.[8]
- The **indirect economic impact** of the Manitoba music industry was the creation of 346 FTE jobs, $14.5 million in labour income and $27.3 million in GDP.
- The **induced economic impact** of the Manitoba music industry was the creation of 181 FTE jobs, $7.6 million in labour income and $17.9 million in GDP.

Table 1 - FTE Impact 2004, 2007, 2011, 2015

FTEs	2004		2007		2011			2015		
	Companies	Artists	Companies	Artists	Companies	Artists	Total	Companies	Artists	Total
Direct Impact	1,374	512	1,080	1,216	1,072	2,870	**3,942**	1,013	2,834	**3,848**
Indirect Impact	-	-	-	-	241	100	**341**	222	124	**346**
Induced Impact	-	-	-	-	50	30	**80**	101	80	**181**
Total	**1,374**	**512**	**1,080**	**1,216**	**1,363**	**3,000**	-	**1,336**	**3,038**	-
Total FTE Impact	**1,886**		**2,296**		**4,363**			**4,374**		

Source: Nordicity MyEIA Model and Statistics Canada.

Note change in methodologies in 2011. Artist FTEs were based on a total artist headcount of 4,011 provided by Manitoba Music, working an average of 26.5 hours in the music industry (SoundCheck 2011) for a 37.5hr work week.

[8] The difference between direct labour income and GDP consists of mixed income, such as the earnings of self-employed artist entrepreneurs and sole proprietors.

Table 2: Labour Income 2004, 2007, 2011, 2015 ($ Millions)

Labour Income ($ Millions)	2004		2007		2011			2015		
	Companies	Artists	Companies	Artists	Companies	Artists	Total	Companies	Artists	Total
Direct Impact	-	-	-	-	24.1	11.6	**35.7**	22.7	10.3	**33.0**
Indirect Impact	-	-	-	-	9.9	4.2	**14.1**	9.3	5.2	**14.5**
Induced Impact	-	-	-	-	2.2	1.0	**3.2**	4.2	3.4	**7.6**
Total	**41.9**	**4.2**	**36.7**	**5.5**	**36.2**	**16.8**	-	**36.3**	**18.9**	-
Total Labour Income Impact	**46.1**		**42.2**		**53.0**			**55.1**		

Source: Nordicity MyEIA Model and Statistics Canada.

Table 3 - GDP Impact 2004, 2007, 2011, 2015 ($ Millions)

GDP ($ Millions)	2004		2007		2011			2015		
	Companies	Artists	Companies	Artists	Companies	Artists	Total	Companies	Artists	Total
Direct Impact	-	-	-	-	28.9	11.6	**40.5**	28.4	20.2	**48.6**
Indirect Impact	-	-	-	-	16.8	7.3	**24.1**	18.0	9.3	**27.3**
Induced Impact	-	-	-	-	4.6	2.2	**6.8**	10.0	7.9	**17.9**
Total	**54.9**	**6.0**	**47.0**	**7.8**	**50.3**	**21.1**	-	**56.4**	**37.4**	-
Total GDP Impact	**60.9**		**54.8**		**71.4**			**93.8**		

Source: Nordicity MyEIA Model and Statistics Canada.
Note: The increase in artist entrepreneur GDP may in part be due to enhanced data capture resulting in expanded reporting and a shift in activity from businesses to artist entrepreneurs.

4.2 Fiscal Impact

The total fiscal impact of the Manitoba music industry was $32.2 million generated in tax revenues, an increase of 22% from 2011. A total of $16.5 million was raised by the federal government and $15.7 million by the Manitoba provincial government. These tax revenues comprised $2.5 million in personal income taxes, $0.9 million in corporation taxes, $6.2 million in other direct taxes, $2.3 million in indirect taxes and $3.8 million in local property taxes and other fees such as to the City of Winnipeg.

Nordicity

Table 4: Fiscal Impact 2004, 2007, 2011, 2015 ($ Millions)

Fiscal Impact ($ Millions)	2011	2015	% Change
Personal income tax	2.4	2.5	5%
Corporate tax	0.7	0.9	25%
Other direct taxes	4.7	6.2	24%
Indirect taxes	1.7	2.3	24%
Local taxes	2.9	3.8	23%
Total Provincial Taxes	**12.4**	**15.7**	21%
Total Federal Taxes	**12.6**	**16.5**	24%
Total Fiscal Tax Impact	**25.0**	**32.2**	**22%**

Source: Nordicity MyEIA Model and Statistics Canada.
Note: In 2005, $2.3m was generated in GST revenue and $1.2m in Retail Sales Tax (RST). In 2007 $5.4m was generated in GST revenue and $3.1m in RST.

Economic Impacts Explained

The **economic impact** of Manitoba's music industry refers to the Gross Domestic Product (GDP), jobs (employment) and labour income generated by the Province's expenditures in the music industry. The total economic impact is equal to the sum of the direct, indirect and induced economic impacts, summarized in the table above.

The **fiscal impact** represents the total tax revenues generated for the government as a result of the Manitoba music industry's economic activity. The total fiscal impact is equal to the sum of the direct, indirect and induced fiscal impacts, summarized in the table above.

4.3 Public Return on Investment

The music industry in Manitoba generated $4.12 for every $1 invested by the provincial government. In sheer financial terms, the provincial investment of $3.1m helped generate $15.7m in Manitoba tax revenues, providing a net return of $12.6m in direct and indirect tax revenue to the province.

These financial returns are significant, but cannot be viewed in isolation, as they must also consider the important social and cultural impact of public investment on areas such as health and well-being, social integration and inclusion, and quality of life.

4.4 Wider Financial Impacts on Commercial Radio Broadcasting

Music is also a major contributor to radio broadcasting, and thus has a significant impact on both the commercial radio broadcasting sector and the wider economy in addition to the economic impacts presented above. Music accounts for 62.35% of the total economic value of music radio stations, according to Audley and Boyer (2007)[9], and in Manitoba, 70% of the total commercial radio revenue is derived in Winnipeg[10].

The **total financial impact** of the Manitoba music industry in commercial radio broadcasting was the creation of 423 FTE jobs, $23.9 million in labour income and $38.1 million in GDP in 2015.

- The **direct financial impact** of the Manitoba music industry in commercial radio broadcasting was the creation of 243 FTE jobs, $16.4 million in labour income and $22.6 million in GDP.[11]
- The **indirect financial impact** of the Manitoba music industry in commercial radio broadcasting was the creation of 114 FTE jobs, $4.8 million in labour income and $8.9 million in GDP.
- The **induced financial impact** of the Manitoba music industry in commercial radio broadcasting was the creation of 67 FTE jobs, $2.8 million in labour income and $6.6 million in GDP.

Table 5: Financial Impact of Music in Commercial Radio Broadcasting ($ Millions)

Economic Impact	Direct impact	Indirect impact	Induced impact	Total impact
Employment (FTEs)	243	114	67	423
Labour income ($ Millions)	16.4	4.8	2.8	23.9
Gross domestic product ($ Millions)	22.6	8.9	6.6	38.1

Source: Nordicity MyEIA Model and Statistics Canada based on data from CRTC and Paul Audley and Marcel Boyer.

[9] The "Competitive" Value of Music to Commercial Radio Stations. Audley, P. and Boyer, M. Scientific Series. CIRANO (2007).
[10] Commercial Radio: Statistical and Financial Summaries 2011-2015. CRTC (2015).
[11] The difference between direct labour income and GDP consists of mixed income, such as the earnings of self-employed artist entrepreneurs and sole proprietors.

Fiscal Impact of Commercial Radio Broadcasting

The total fiscal impact of the Manitoba music industry in commercial radio broadcasting was $13.1 million generated in tax revenues. A total of $6.7 million was raised by the federal government and $6.4 million by the Manitoba provincial government. These tax revenues comprised $1.1 million in personal income taxes, $0.4 million in corporation taxes, $2.5 million in other direct taxes, $0.9 million in indirect taxes and $1.5 million in local property taxes and other fees such as to the City of Winnipeg.

Table 6: Fiscal Impact of Music in Commercial Radio Broadcasting ($ Million)

Fiscal Impact	($ Millions)
Personal income tax	1.1
Corporate tax	0.4
Other direct taxes	2.5
Indirect taxes	0.9
Local taxes	1.5
Total Provincial Taxes	**6.4**
Total Federal Taxes	**6.7**
Total	**13.1**

Source: Nordicity MyEIA Model and Statistics Canada based on data from CRTC and Paul Audley and Marcel Boyer.

4.5 Social and Cultural Impact

Beyond the economic benefits, the music industry plays a vital role in creative placemaking and cultural identity. Manitoba's music industry is not only an important contributor to the social and economic prosperity of Manitoba, but it provides a unique cultural richness and intrinsic value to the province.

This **social and cultural impact** of the music industry in Manitoba cannot be understated, and includes:

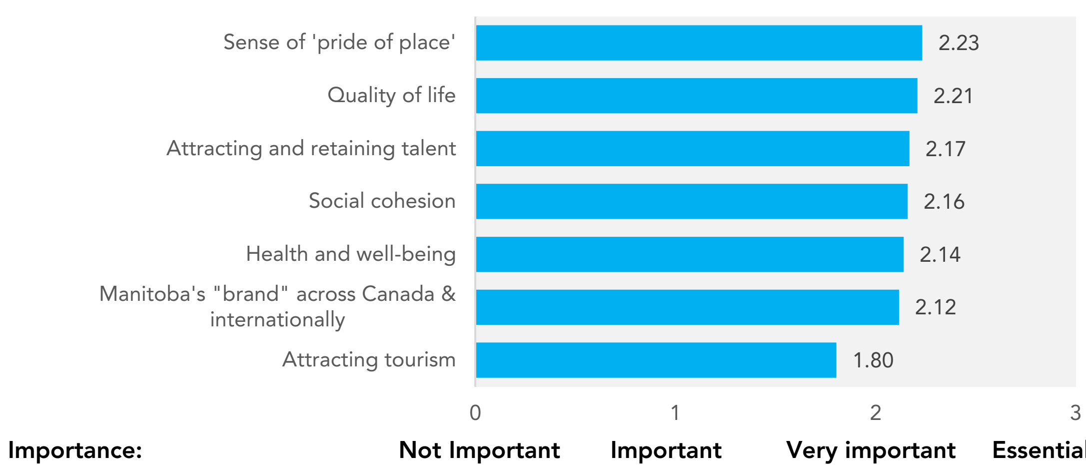
- Improving the quality of life in the province.
- Attracting and retaining skilled workers in all sectors.

- Making Manitoba a more desirable place in which to live, work, invest and conduct business.
- Developing a strong identity and brand for Manitoba within Western Canada, across Canada and internationally.
- Promoting a pride of place, sense of community and belonging and social cohesion in the province.
- Contributing to the health and well-being of Manitoba residents.
- Contributing to Manitoba's hospitality and entertainment sectors, and evening and nighttime economy.
- Being a central driver of Manitoba's wider arts, cultural and creative industries.

An important contributor to life in Manitoba

Among the survey respondents, music was perceived to be very important for contributing to a sense of 'pride of place' for Manitobans. This was followed by its contribution towards a high quality of life, attracting and retaining talent in the province, social cohesion among the province's diverse communities, health and well-being, and Manitoba's brand across Canada and internationally. Music was considered important for attracting tourism to Manitoba, although somewhat less.

Figure 33: Importance of Music as a contributor to life in Manitoba



The social and cultural impacts of a music industry on a province such as Manitoba can be seen through its ability to furnish a creative community, a music city, and a music festival friendly province.

A Creative Community

In addition to the fiscal, direct economic and intrinsic artistic impacts, there are also social and cultural impacts derived from music, which in turn can contribute to economic development policies and sustainability. The many social and cultural impacts continually intersect and become integral to the creative and cultural vibrancy of a city or community. The resulting improved quality of life plays an important role in attracting creative talent[12], an integral part of today's economy as well as that of the future. Evidence suggests that there is a strong correlation between cities that nurture and sustain creative economies - in which music plays a key contributing role – and their ability to attract an educated and skilled workforce, an overall, a more diverse, innovative community.

Theoretically, these attributes attract the kind of workers who start and staff innovative and creative companies, and who thrive in a rich, diverse cultural setting. Social and economic theorists point out that musicians, who work in a sector that is strongly competitive and use their creativity and talent to convert their ideas into new products, while seeking out new markets, share these traits with other creative problem-solvers like entrepreneurs, engineers, and researchers.[13] Fostering creativity in general can play a role in the competitive success of a variety of sectors and activities, spanning manufacturing, engineering and design. [14]

Recent work by the Martin Prosperity Institute has shown that it is possible using Canada 2006 Census data to map[15] the creative class (Vs service class Vs working class[16]), which has shown that where certain location factors are satisfied, there is an apparent inversion of the previous drift to the suburbs by the advantaged, which has led to the regeneration of urban centres.[17]

Crossover with other sectors

Indeed, there is significant crossover between the music sector and wider industries across the province. As noted previously in Figure 17 and Figure 18, three quarters of

---

[12] Florida, Richard, *The Rise of the Creative Class*, Basic Books, 2002.
[13] Florida, Richard, *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*, Basic Books, 2003.
[14] Sir George Cox, The Cox Review of Creativity in Business: building on the UK's strengths, commissioned by the Chancellor of the Exchequer, 2006.
[15] http://martinprosperity.org/content/insight-canadas-divided-cities/
[16] Estimated in the US to be: Creative Class 33%, Service Class 47% & Working Class 20%. Florida, Richard, 2012.
[17] http://martinprosperity.org/media/Divided-City.pdf

music artists also work outside of the music sector, deploying their transferrable skills and talents across all parts of the economy. The music sector may have the strongest intersection with other arts and cultural industries, with artists and professionals working across sectors such as film and television, new media, theatre and dance. Other sectors intersecting with Manitoba's music industry include education, finance, construction and manufacturing, and tourism and hospitality services.

A Music City

Music is a strong cultural asset for Canada, and one that was recently recognised by Enrst & Young as making Canada more attractive.[18] Their report emphasised the importance of such cultural assets in not only attracting corporate executives and talented employees (who typically are keen consumers of entertainment and culture) but culture-driven tourists. The Ontario Arts Council and the Ontario Tourism Marketing Partnership recognise the importance of the latter and have developed a strategy to boost live-music-related tourism, and to position both Ontario and Canada as high-level destinations for live music.

Music is a compelling and integral part of the 24 hour (or night-time) economy of a city and as such it attracts young, skilled workers in and of itself.[19][20] However, its importance lies in more than just drawing in talent; music spaces (venues, clubs, festivals etc.) provide the settings and meeting places for the creative industries, where connections are made, relationships are strengthened, and new work opportunities or collaborations forged. The social bonds created within night-time activities are key assets for cities today.[21]

The night time economy has been touted by European cities as important contributors to society, where in the UK it is worth £66 billion to the economy and employs over 1.3 million people.[22] In a bid to protect this asset, and in the context of a rapidly gentrifying city which has witnessed 35% of its grassroots music venues being lost since 2007[23], the Mayor of London has introduced a number of measures including

---

[18] http://www.worldcreative.org/wp-content/uploads/2015/12/EYCulturalTimes2015_Download.pdf
[19] Terry Nichols Clark, *The City as an Entertainment Machine*, Research in Urban Policy, Volume 9 (Elsevier, 2004).
[20] Edward L. Glaeser, Jed Kolko, and Albert Saiz, *Consumer City*, in Journal of Economic Geography, Volume 1, Issue 1 (January 2001), pp. 27-50.
[21] Elizabeth Currid, *The Warhol Economy: How Fashion, Art, and Music Drive New York City*, Princeton University Press, 2008.
[22] Night Time Industries Association. www.ntia.co.uk
[23] Music Venues Trust.

establishing a “Rescue Plan for London’s Grassroots Music Venues”, assembling the Mayor’s Music Venues Taskforce, and the London Music Board, which “brings together the music industry, government, property developers and the tourism sector to implement the Rescue Plan for Grassroots Music Venues”. Working alongside the Mayor’s Night Time Commission, the Mayor of London is introducing a ‘Night Czar’ to champion London as a 24-hour city, following similar initiatives across Europe including Amsterdam’s ‘Night Mayor’, and cities such as Paris and Zurich adopting urban ambassadors for the nighttime economy.

Some research by the Information and Communications Technology Council has shown many ways in which music supports Canada’s high tech industries, acting as a catalyst for the creation of innovation hubs, as well as adding value for creative tech talent as either consumers or contributors to the dynamic fields of digital music production and distribution.[24]

Some cites have focused on developing themselves as ‘Music Cities’, taking their lead from Austin which, driven by its 30 years running the reputable South by Southwest (SXSW) festival, has transformed itself into a crucible of music industry activity, talent recruitment, music tourism, and a centre of intersection with other media.[25]

As a part of a wide spectrum approach to arts, heritage and culture,[26] Ottawa (a city comparable in size to Winnipeg) has also taken inspiration and learnings from Austin and has comprehensively profiled its music industries and determined steps need to bridge the ecosystem of dedicated music entrepreneurs, established music

Austin’s Music Industry

Over the past thirty years, Austin’s music entrepreneurs, business groups, and municipal government have worked together to make music the centrepiece of a $4.35 billion creative sector that continues to grow. Today, Austin’s music industries generate $1.6 billion in economic output and 18,000 jobs, and music is a catalyst for tourism, talent recruitment, and a range of other benefits.

[24] *Music – A Catalyst for Technology Hubs and Innovative Talent* (Information and Communications Technology Council, 2013).
[25] Kelp Music and Ottawa Music Industries Consortium, *Connecting Ottawa Music: A Profile of Ottawa’s Music Industries*, March 2015.
[26] *Renewed Action Plan for the Arts, Heritage and Culture (2013-2018)*, http://ottawa.ca/sites/ottawa.ca/files/migrated/files/cap109712.pdf

institutions, and emerging music scenes to ensure its future as a successful music city.[27]

Indeed, Toronto has invested heavily in maintaining its position as Canada's music capital and a global music city. It has established the Toronto Music Industry Advisory Council, appointed a dedicated music sector development officer, and developed a campaign to position itself as "one of the greatest music cities in the world – to create energy and action around the concept of Toronto as a music city".[28]

Furthermore, the Government of Ontario launched a $15m per year Ontario Music Fund, administered by the Ontario Music Office, to support music company development for large music companies, music industry development to support industry trade and arts-service organisations, music futures for smaller businesses and live music to support promoters, presenters and booking agents. Indeed, other provinces have followed suit, such as the $15 million BC Music Fund launched by Creative BC.

The strong correlation between the presence of artists and rising local wages across all occupations must also be noted as a key outcome witnessed in culturally rich cities, including music cities. This correlation is particularly strong when talented artists mix with audiences within a culture of risk and experimentation comprising what some researchers have called a "scenius", resulting in a boost in quality of all participants. [29] Similar results were also found In London, UK, between creative clusters and wages elsewhere in the economy.[30] At Seattle's Fair Trade Music initiative, venues and promoters voluntarily publicize their pay for artists, encouraging transparency and establishing a fairer market-wide wage for live performers – a concept has also been proposed as a part of Toronto's music strategy.

A Music Festival and Cultural Events Province

Festivals are often considered the heart of creative and cultural industries, generating not only positive economic impacts in terms of employment and GDP, but by

---

[27] Kelp Music and Ottawa Music Industries Consortium, March 2013.

[28] Music Canada and Titan Music Group, *Accelerating Toronto's Music Industry Growth: Leveraging Best Practices from Austin, Texas*. (2012)

[29] Silver, Daniel and Miller, Diana, *Contextualizing the Artistic Dividend*, Journal of Urban Affairs 35, No. 5 (2012), pp. 591–606.

[30] Bakhshi, Hasan, Lee, Neil and Mateos-Garcia, Juan, *Capital of Culture? An Econometric Analysis of the Relationship Between Arts and Cultural Clusters, Wages, and the Creative Economy in English Cities, in Creative Communities: Art Works in Economic Development* (Brookings, 2013).

providing focal points for a city's reputation and cultural identity, and showcasing the best of what the province has to offer to people and businesses alike. A recent literature review by the UK's Arts and Humanities Research Council (AHRC) notes that, "Festivals have become 'ubiquitous' within tourism and place marketing campaigns, and are a cultural mechanism for reputational gain or transformation of locale."

Like other forms of soft cultural infrastructure, festivals are well positioned to not only contribute to a positive image of a locale, internally to its own residents, but externally to visitors as well – thereby attracting people to visit, live and/or work in the city, including attracting professionals in key growth sectors. For residents, festivals enable people to experience their city in a completely new way, providing enrichment to the area, creating a unique experience and 'sense of place' that sustains itself long after the event has drawn to a close. This kind of place making refers to the development of a feeling of identity and pride for an area amongst residents and workers, as well as the recognition garnered by non-residents and the media. [31]

Manitoba's rich and diverse music festival ecosystem is well positioned to leverage a number of positive social and cultural impacts related to a thriving music festival and cultural events economy. For example, beyond the estimated $29.4 million in economic activity that the long standing Winnipeg Folk Festival has created for the province[32], the festival has supported the province's folk and independent music sector through education and outreach programs for over thirty years and has grown a community of over 3,000 volunteers. Investing in Manitoba, Six Shooter Records, launched the pioneering festival Interstellar Rodeo in 2015, which grew in attendance by 53% in 2016, with over 14,000 attendees in its second year, and 400 staff and volunteers working to make it happen. Echoing these successful models, the grassroots indie festival scene, the Rainbow Trout Festival, is run entirely by volunteers, and Kelwood's Harvest Sun Music Festival's three tenants are family, community and sustainability.

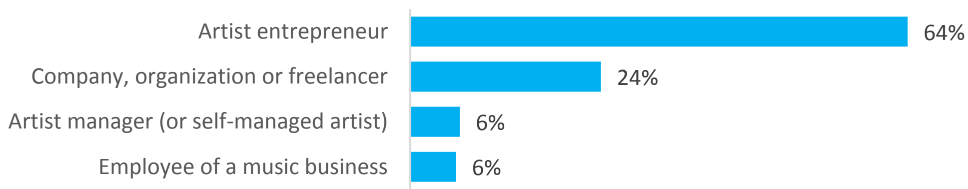
Indeed, festivals are major drivers of economic activity across the creative industries, ranging from film and television to theatre and dance, and support businesses across the local economy by sourcing local goods and services such as costume and set design, sound and lighting, visual and graphic design, food and accommodation, transport and retail.

[31] Webster, Emma and McKay, George, *From Glyndebourne to Glastonbury: The Impact of British Music Festivals*, The Arts and Humanities Research Council (AHRC), 2016.
[32] 2010 Economic Impact Assessment of the Winnipeg Folk Festival, Tourism Winnipeg.

Appendix: Survey Report

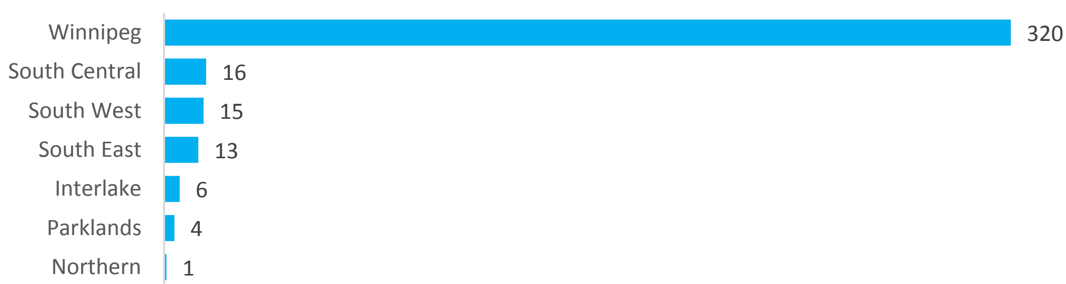
Survey Profile and Monitoring Data

Figure 34: Survey Respondent Type



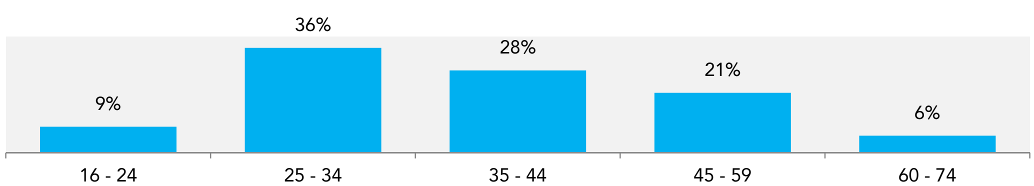
Count=377

Figure 35: Location of respondents



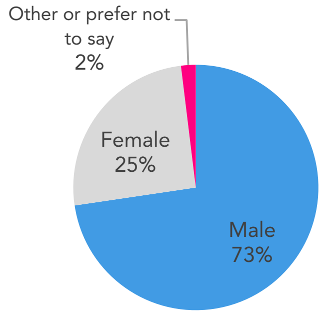
Count=375

Figure 36: Age of respondents



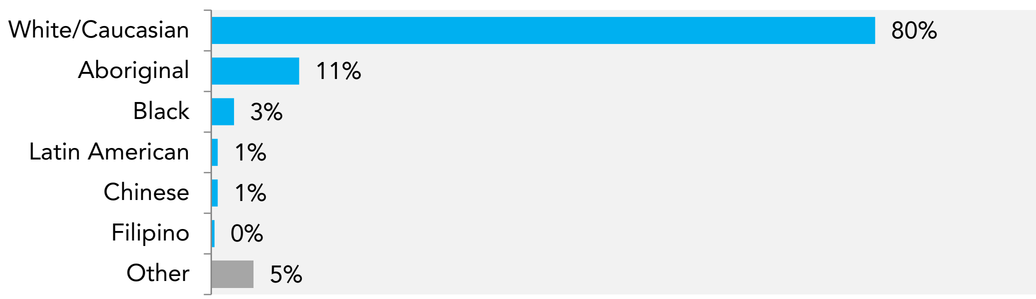
Count=253

Figure 37: Gender of respondents



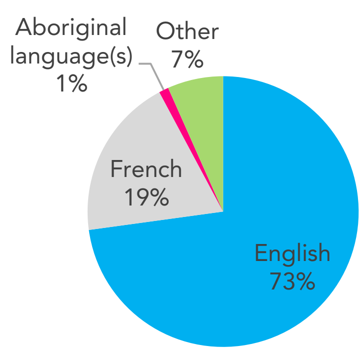
Count=252

Figure 38: Ethnicity of respondents



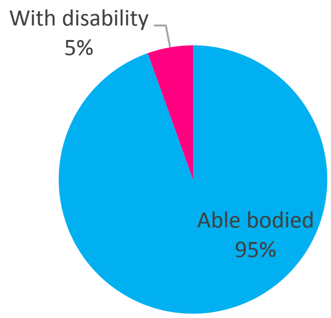
Count=252

Figure 39: Primary language of respondents



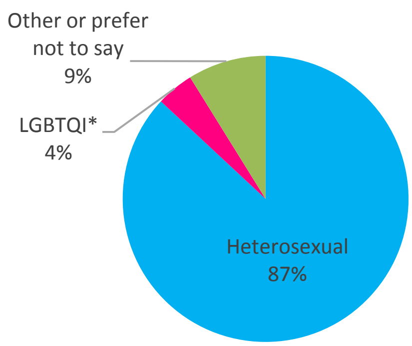
Note: *Other languages noted included Spanish, German, African languages, Icelandic, Italian, Japanese and Hebrew.
Count=253

Figure 40: Disability status of respondents



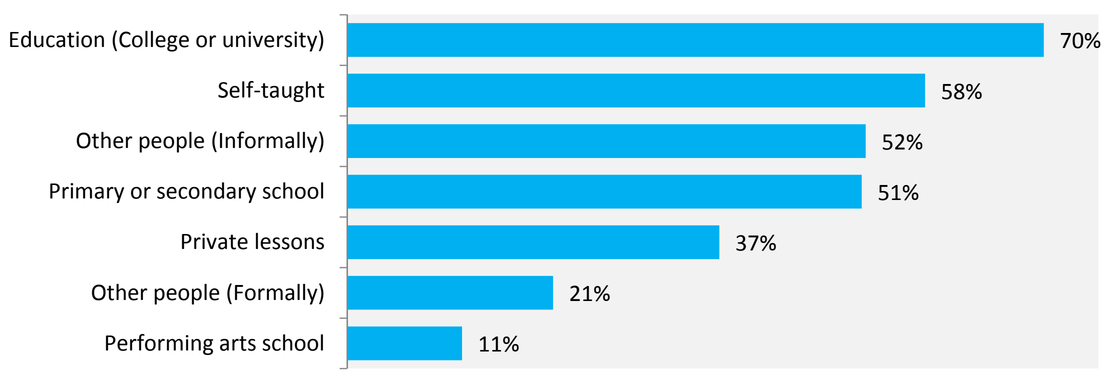
Count=252

Figure 41: Sexual orientation of respondents



Count=249

Figure 42: Form of learning of respondents



Count=253

Industry Financial Data

Figure 43: Total Industry Revenues and Expenditures ($ Millions)

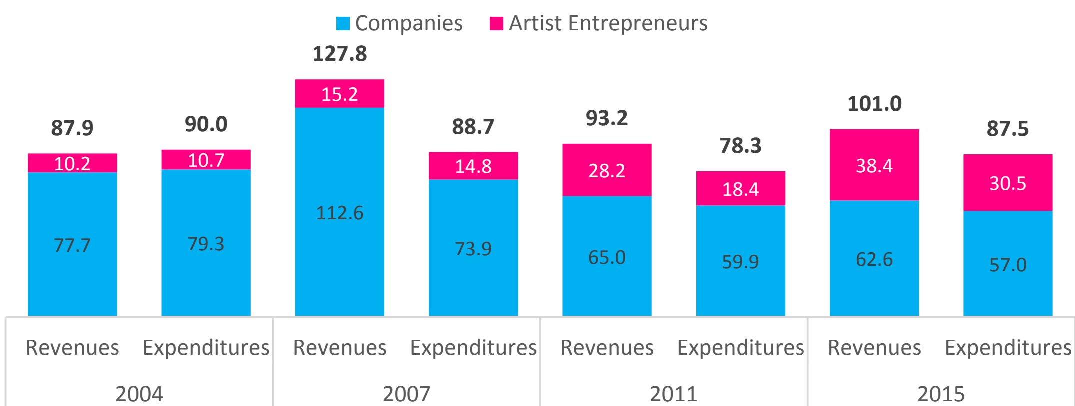


Table 7: Total Industry Revenue ($ Millions)

($ Millions)	2004	2007	2011	2015
Companies	77.7	112.6	65.0	62.6
Artist Entrepreneurs	10.2	15.2	28.2	38.4
Total	**87.9**	**127.8**	**93.2**	**101.0**

Sources: An Economic Impact Analysis of Manitoba's Music Industry, 2005, 2008, 2012 & 2016.

Note: Figures for 2004 and 2007 include financing and agency / government funding. Figures may not sum due to rounding.

Table 8: Total Industry Expenditures ($ Millions)

($ Millions)	2004	2007	2011	2015
Companies	79.3	73.9	59.9	57.0
Artist Entrepreneurs	10.7	14.8	18.4	30.5
Total	**90.0**	**88.7**	**78.3**	**87.5**

Sources: An Economic Impact Analysis of Manitoba's Music Industry, 2005, 2008, 2012 & 2016.

Note: Figures for 2004 and 2007 include financing and agency / government funding. Figures may not sum due to rounding.

Profile of Music Companies

Table 9: Company Revenue Sources

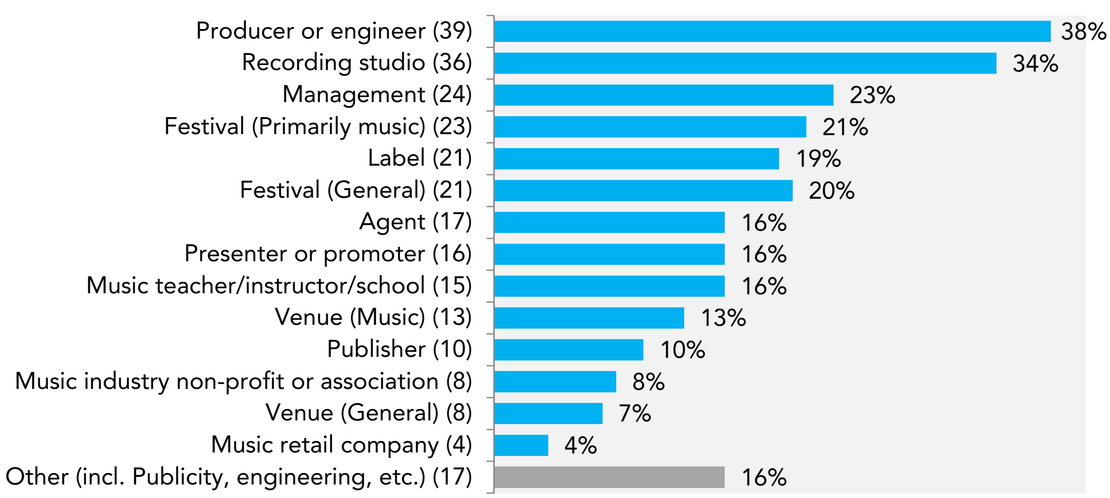
Company Revenues	Total ($)	Percentage (%)
Live and ticketing	35,915,038.38	50.2%
Public funding	9,014,412.97	12.6%

Management, consulting & admin	7,677,622.62	10.7%
Private fundraising, awards & prizes	5,606,999.05	7.8%
Sponsorship & branding	5,552,380.18	7.8%
Sales	4,333,368.81	6.1%
Recording, engineering & technical	1,521,312.81	2.1%
Teaching music	1,364,365.12	1.9%
Publishing, label & sync	286,484.51	0.4%
Other	201,256.97	0.3%
Publicity, marketing & design	60,934.20	0.1%
Total	**71,534,176**	**100%**

Table 10: Company Expenses

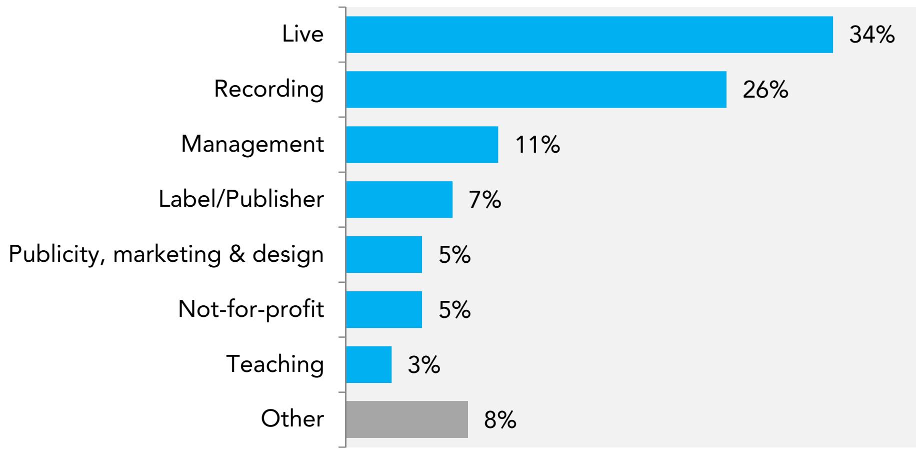
Company Expenses	Total ($)	Percentage (%)
Labour	$29,108,952	44%
Overhead & professional services	$15,873,899	24%
Equipment	$5,952,996	9%
Marketing, PR & promotion (sourced)	$5,917,299	9%
Travel	$3,250,332	5%
Production (sourced)	$3,196,029	5%
Other	$1,278,446	2%
Fees (incl. union, PRO, etc.)	$1,252,701	2%
Total	**$65,830,653**	**100%**

Figure 44: Company activities (all that apply)



Count=105

Figure 45: Company Primary Activities



Count=95

Profile of Artist Entrepreneurs

Table 11: Artist Entrepreneur Revenue Sources

Artist Revenues	Total ($)	Percentage (%)
Live and performing	$16,900,440	41%
Public funding	$7,696,289	19%
Sales	$6,375,510	16%
Other	$3,519,295	9%
Sponsorship & branding	$2,907,773	7%
Publishing, Label & sync	$1,520,737	4%
Teaching music	$1,111,170	3%
Private fundraising, awards & prizes	$744,365	2%
Total	**$40,775,579**	**100%**

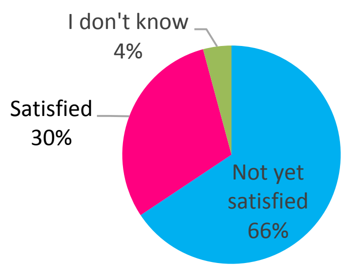
Count=216

Table 12: Artist Entrepreneur Expenditures

Artist Expenses	Total ($)	Percentage (%)
Artist payments	$10,840,664	34%
Travel, transportation & accommodation	$6,647,768	21%
Recording	$4,406,121	14%
Other	$3,256,924	10%
Marketing, PR & promotion	$3,064,079	10%
Instruments & equipment	$2,489,239	8%
Management fees	$672,735	2%
Agent & promoter costs	$563,877	2%
Total	**$31,941,407**	**100%**

Count=216

Figure 46: Artists' level of career satisfaction



Count=262

NGL161201
nordicity.com