



**CHAMBRE DE COMMERCE
DU MONTRÉAL MÉTROPOLITAIN**
BOARD OF TRADE OF METROPOLITAN MONTREAL

CULTURE IN MONTRÉAL

**NUMBERS,
TRENDS AND
INNOVATIVE PRACTICES**



A study by the Board of Trade of Metropolitan Montreal, made possible through the financial support of the Ministère de la Culture et des Communications and the cooperation of the Conseil des Arts de Montréal. Economic and statistical data collection and processing were performed by KPMG-SECOR, under the direction of Carole Deniger, Executive Director, Consulting.

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DE **MONTRÉAL**

With the cooperation of:



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The study *Culture in Montréal: Numbers, Trends and Innovative Practices* was produced as part of the 2007-2017 Action Plan for Montréal, Cultural Metropolis.



380 St. Antoine Street West, Suite 6000
Montréal, Quebec H2Y 3X7

Telephone: 514 871-4000 | www.btmq.ca
Fax: 514 871-1255 | info@ccmm.qc.ca

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A WORD FROM THE PRESIDENT AND CEO

The year 2015 marks the 10th anniversary of the Board of Trade of Metropolitan Montreal's (the Board of Trade) study on private financing of culture. While 10 years ago the idea of bringing the arts and business together raised eyebrows, today no doubt remains as to the importance of relations between these two communities and the resulting mutual benefits.

Not only is culture now recognized as a fundamental part of our identity, it is also universally seen as a major driver of economic development. In recent years, artistic and cultural talent in Montréal has been making its mark around the world, from Los Angeles to Tokyo, New York and Paris. Accomplished filmmakers and musicians, and less well-known but no less respected visual artists and writers, are some of the many people who bring our culture to the world, and in so doing make our city shine.

The Board of Trade wanted to update its 2009 study on the economic impact of culture in Montréal, as the cultural sector's shift to digital technology is intensifying. This new study shows us that in spite of the slowdown that affected many sectors between 2007 and 2009, culture managed to maintain a slightly higher level of growth than the average among industries. As a result, it increased its share in the economy of the metropolitan area.

Quantitatively, in 2013 culture generated direct added value to the city's economy in the order of \$7.4 billion, and its direct and indirect effects totalled almost \$11 billion in added value, or around 6% of Montréal's GDP. That is a major contribution.

However, drilling down further, it becomes clear that one of the key segments of the cultural sector is still vulnerable. Workers in what we termed the "creative heart of Montréal" in 2009, i.e. independent artists, authors and performers, still have annual income well below the average for the sector.

Results are also divided when it comes to private financing. Cultural organizations in the metropolitan area obtain over 50% of their revenue from private sources. However, within smaller organizations, this proportion drops dramatically, and they have difficulty attracting donations and sponsorships.

These circumstances are forcing organizations to get creative when seeking out private support. More and more of them are relying on innovative initiatives to expand their audience, diversify their sources of funding and increase their visibility. This document presents a range of strategies via case studies that may inspire both cultural organizations and the business people who support them as they institute good practices to promote their growth.

Culture is central to Montréal's identity. It is up to us to support it and ensure it endures. Recent efforts have produced results, but there is still a great deal of work to do to ensure that this sector, which employs an impressive one out of every 25 workers in Montréal, maintains its economic footprint and influence, at home and abroad.

A handwritten signature in blue ink, appearing to read 'Michel Leblanc', with a long horizontal flourish underneath.

Michel Leblanc
President and CEO
Board of Trade of Metropolitan Montreal



A WORD FROM THE MINISTER

Montréal is brimming with creativity in every one of its artistic and technological spheres. Our city of culture keeps reinventing itself, through its diversity, avant-gardism, vitality and international outlook.

This cultural vibrancy has a positive economic impact. Culture is high-performance sector, creating many jobs and acting as a catalyst that makes a significant contribution to the Québec economy. The study *Culture in Montréal* confirms this, with data that speaks for itself. For example, in the metropolitan area alone, over 82,000 people worked in the cultural sector in 2013.

This analysis shows not only the incredible vibrancy of local artists and cultural entrepreneurs, but also the transformations and new challenges they are facing, mainly because of advances in technology. We launched the Digital Cultural Plan for Québec precisely to take advantage of these new opportunities and give Québec creators ways to deal with the realities of the digital age. It is designed to help all cultural sectors adapt to new information and communications technologies, with a view to cultural, economic, tourism, educational, heritage and social development.

We know that in the course of their day cultural organizations use ingenuity and diligence to tackle the challenge of diversifying their sources of financing. Many are exploring new ways to get support from the private sector. I applaud these efforts to generate new revenue to ensure long-term viability. Their determination, spirit of innovation, openness and vision are remarkable.

In a global economy without borders, business people, like artists and artisans from the world of culture, do well to draw from their peers' good practices to make their mark and ensure their vitality. This is something that we need to encourage.

I would like to thank the team from the Board of Trade of Metropolitan Montreal for having conducted this study which showcases innovative practices in cultural organizations. In addition to enriching our knowledge of Montréal's cultural sector, on an economic level studies of this sort help make private businesses and patrons aware of the importance of investing in culture. Culture must remain a major driver of economic and social development for Québec's largest city and an important conduit for knowledge for Québec society.

Enjoy the report!

A handwritten signature in blue ink, appearing to read 'Hélène David', written in a cursive style.

Hélène David

*Minister of Culture and Communications and
Minister responsible for the Protection and
Promotion of the French Language*



HIGHLIGHTS

HIGHLIGHTS

JOBS IN CULTURE

- ▶ In 2013, the cultural sector in Greater Montréal accounted for some 82,000 jobs.
- ▶ Greater Montréal represents 70% of jobs in Québec's cultural sector.
- ▶ The cultural sector represents 4% of total jobs in Greater Montréal.
- ▶ Cultural sector salaries are slightly below average for Montréal industries (a difference of 7%).
- ▶ The breakdown between men and women is fairly balanced, except for the subsectors of sound recording and video games, which are male dominated, and the subsectors of other information services and artist agents, which are female dominated.
- ▶ Almost a quarter of cultural employees are self employed, more than twice the number for all industries in the CMA. This proportion rises to 80% among artists, authors and performers.
- ▶ Around 80% of cultural sector workers have a post-secondary education, compared with 60% for workers in all industries.
- ▶ Jobs in culture compare favourably to those in other clusters of Montréal's knowledge economy, making culture an important sector for the Montréal economy.

CHANGES THAT AFFECT GROWTH IN THE SECTOR

- ▶ A marked slowdown in growth because of a number of major changes that affect the cultural sector, including:
 - sluggish growth in demand for cultural products
 - more limited aid from government corporations and certain levels of government
 - the transition to digital technology, which is disrupting business models and resulting in an increase in international competition
 - a drop in ad revenue

- strong competition from big box retailers and online sales platforms

THE ECONOMIC BENEFITS

- ▶ Montréal's cultural sector generates close to \$11 billion in direct and indirect added value to the economy.
- ▶ For the Government of Québec, Montréal's cultural sector represents \$515 million in tax revenue (consumption and income tax).
- ▶ For the Government of Canada, Montréal's cultural sector generates \$261 million in tax revenue.

PRIVATE FINANCING

- ▶ Arts organizations in Greater Montréal generate over 50% of their revenue from private sources.
- ▶ Larger organizations (those with a budget of over \$1 million) generate a larger share of their revenue from private sources.
- ▶ Own-source revenue generally accounts for the largest portion of private revenue.
- ▶ Festivals stand out for their ability to attract sponsorships.
- ▶ The visual arts attract more donations than other disciplines.
- ▶ Theatre and dance generate more own-source revenue than average through subscription and box-office revenue.
- ▶ Between 2008 and 2013:
 - organizations of all sizes and disciplines globally maintained their share of private revenue, which increased from 55% to 56%
 - large organizations (with a budget of over \$5 million) significantly increased their share of private financing: from 50% to 66% of their total revenue

- dance, theatre and visual arts stand out for growth in donations, sponsorships and own-source revenue over the past five years
- donations and sponsorships as a share of total budget for literary organizations tripled, rising from 3% to 10%

TRENDS AND GOOD PRACTICES AMONG CULTURAL ORGANIZATIONS

Interviews were conducted with managers of five organizations to document innovative practices in the search for revenue and audience development:

- ▶ In every discipline and regardless of the size of organization, to develop, cultural organizations need a bold, open vision that incorporates unconventional approaches.
- ▶ Audience, visibility and revenue development initiatives can be grouped into four major categories:
 - **Increasing and diversifying private revenue**
 - **Gaining international exposure**
 - **Benefitting from the effect of leverage**
 - **Increasing impact and visibility**



1 CONTEXT, METHODOLOGY AND DEFINITIONS

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The update to the 2009 study reviews the parameters of the cultural industries and renews the main economic statistics for the sector and data on financing cultural organizations in Montréal.

The study then identifies recent trends and good practices for developing cultural organizations, particularly financial ones. This aspect is documented and illustrated through case studies.

By way of conclusion, based on these analyses, the Board of Trade offers recommendations for continuing efforts to support a creative core that is essential to city's identity and economic development.

► 1.1 STUDY PARAMETERS

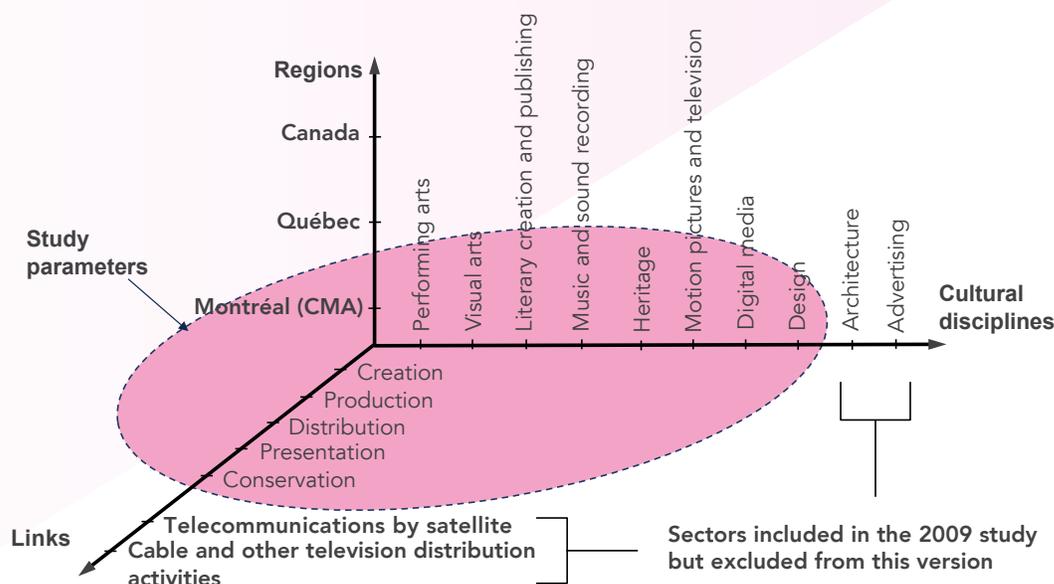
The cultural sector was carefully defined based on a literature review (including definitions used in other territories) and was discussed with the Ministère de la Culture et des Communications to better reflect the scope of the cultural sector that the government supports and the evolution of the cultural industry.

The cultural sector is described in an aggregate sense to position it within the city's economy and to describe its evolution in recent years. As such, there have been changes made since the 2009 study.

The study's parameters fell along three main lines: geographical area, cultural discipline and links in the value chain. For the purpose of the study, the parameters are as follows:

- The **geographical area** studied is the census metropolitan area (CMA) of Montréal. In 2013, this vast territory, commonly called "Greater Montréal," accounted for 54% of Québec's GDP and included almost 4 million people¹.
- The **cultural spheres** included within the study parameters are performance arts, visual arts, literary creation and publishing, music and sound recording, heritage, film and television and design.
- For each cultural sphere, the study looked at not only aspects of creation and production, but also other **aspects of the value chain** such as distribution, presentation and conservation.

The following chart presents the study parameters and the main changes compared with the 2009 study.



Variations in the study parameters in part reflect the evolution of the cultural industries. Changes were required to the definition of the sector from the 2009 study to be representative and to reflect a changing reality.

¹ Institut de la statistique du Québec

Cable and satellite telecommunications activities fall more within the exploitation of bandwidth on networks, the use of which goes well beyond simple cultural content (e.g.: Internet services, system installation and maintenance, etc.). Since there are many jobs in these fields, including them would overstate jobs in the cultural sector. Plus it was decided that advertising and architecture be removed from the definition of cultural sector, since these areas of expertise fall more under creativity than culture. Sectors related to manufacturing, reproduction and printing activities were also excluded from the definition of the sector, as in the 2009 study.

A retroactive adjustment was made to reflect this new definition to make data from 2008 and 2013 comparable and to be able to spot and measure trends over this five-year period. Eliminating certain subsectors from the study parameters obviously had an impact on the number of jobs, economic benefits and the overall importance of the sector to the economy.

North American Industry Classification System (NAICS) subsectors were chosen to represent as faithfully as possible the type of spheres identified within the cultural sector. The changes made to the parameters from the 2009 study, either by redefining the scope of the study or through variations in Statistics Canada industrial categories, are summarized in the appendices, along with definitions of each of the subsectors.

► 1.2 DATA SOURCES

A number of information sources had to be used to compile data for each of the cultural subsectors described by the study. Furthermore, methodological choices were made to reflect the reality of the cultural sector as faithfully as possible.

- To create the portrait of each of the cultural subsectors identified, a number of details were compiled, i.e., the number of jobs, average income, hours worked, the proportion of self-employed workers, the breakdown between men and women and the level of education. This information was compiled from Statistics Canada data.
- Data on funding cultural organizations comes from the Conseil des Arts de Montréal (CAM), as in the 2009 report. Indicators on the proportion of income by source (public and private funding) were calculated from the information collected about organizations supported by the CAM and compared based on the size of the organization and the artistic discipline.
- Finally, cultural organization trends and good practices were drawn from interviews with managers of cultural organizations. The objective of the case studies is to identify and document innovative practices introduced by organizations of different sizes and in different disciplines.



2

CULTURE: A MAJOR ECONOMIC ASSET FOR QUÉBEC'S LARGEST CITY

2

CULTURE: A MAJOR ECONOMIC ASSET FOR QUÉBEC'S LARGEST CITY

NOTES ON METHODOLOGY

Statistics Canada data was used to create a socioeconomic portrait of the study's subsectors. Given the changes to the approach used by Statistics Canada (definitions, sampling techniques, etc.) and certain methodological limitations, a few provisos are required.

- ▶ The most recent data from the Labour Force Survey was used to estimate jobs in each of the cultural subsectors.

Employment data provided by Statistics Canada is for the census metropolitan area and uses four-digit NAICS codes. This level of detail can create significant variations between periods given the smaller sample size. 2013 data was therefore estimated from the annual average for the years 2012, 2013 and 2014 to smooth out results.

- ▶ The socioeconomic characteristics of the cultural subsectors are drawn from the 2011 National Household Survey that Statistics Canada made available in 2013. Revenue data was adjusted to be representative of 2013. Since 2011, this voluntary participation study replaced the mandatory questionnaire of past censuses.

This recent change in methodology prevents us from drawing comparisons with the data from the study that appeared in 2009.

- ▶ The video game subsector belongs under two separate NAICS codes: video game design and development services (NAICS 541515) and video game publishers (511212). Since the data is not available for the CMA of Montréal at this level of detail, a recent study conducted by KPMG-SECOR² was used to document employment and average salary. The socioeconomic characteristics for workers (hours worked, self-employed workers, breakdown between men and women and education) have been extracted from statistics in the professional category Computer programmers and interactive media developers (CNP-2174).
- ▶ Economic benefits were calculated from the intersectorial model of the Institut de la Statistique du Québec (ISQ). Direct impact is estimated from employment data from each of the industries and average salaries. The average multiplying effect for each of the subsectors was used to estimate indirect impacts.

▶ 2.1 A LARGE DIVERSITY OF JOBS

With **around 70% of jobs in the cultural sector of Québec, which represents 4% of all jobs in the CMA**, Greater Montréal has kept its central position in Québec's creative ecosystem. The size of the cultural subsectors varies a great deal, from a few hundred to a few thousand jobs. Three of these subsectors – motion pictures and videos, specialized design services

and independent artists, authors and performers – have over 10,000 workers and alone represent 45% of total cultural jobs in the Montréal area.

² KPMG-SECOR, for the Alliance Numérique, *L'industrie du jeu vidéo : Un moteur économique pour le Québec*, 2014

While the **average worker in the cultural sector earns around 7% less than people in the Montréal metropolitan area as a whole** (\$43,500 compared with \$46,800), certain sectors stand out favourably. The subsectors of interactive games (\$67,300), radio and television (\$66,600), publishing (\$62,800) and motion pictures and video (\$49,100) are higher than the average of Montréal industries. On the other hand, workers in certain subsectors have significantly lower than average income, specifically employees of book, magazine and music item stores (\$23,100), event promoters (\$26,500) and employees of specialized design services (\$32,200).

Finally, **independent artists, authors and performers – those we called the “creative heart” of the cultural sector – are still living precariously, with an average income of \$23,500 per year.**

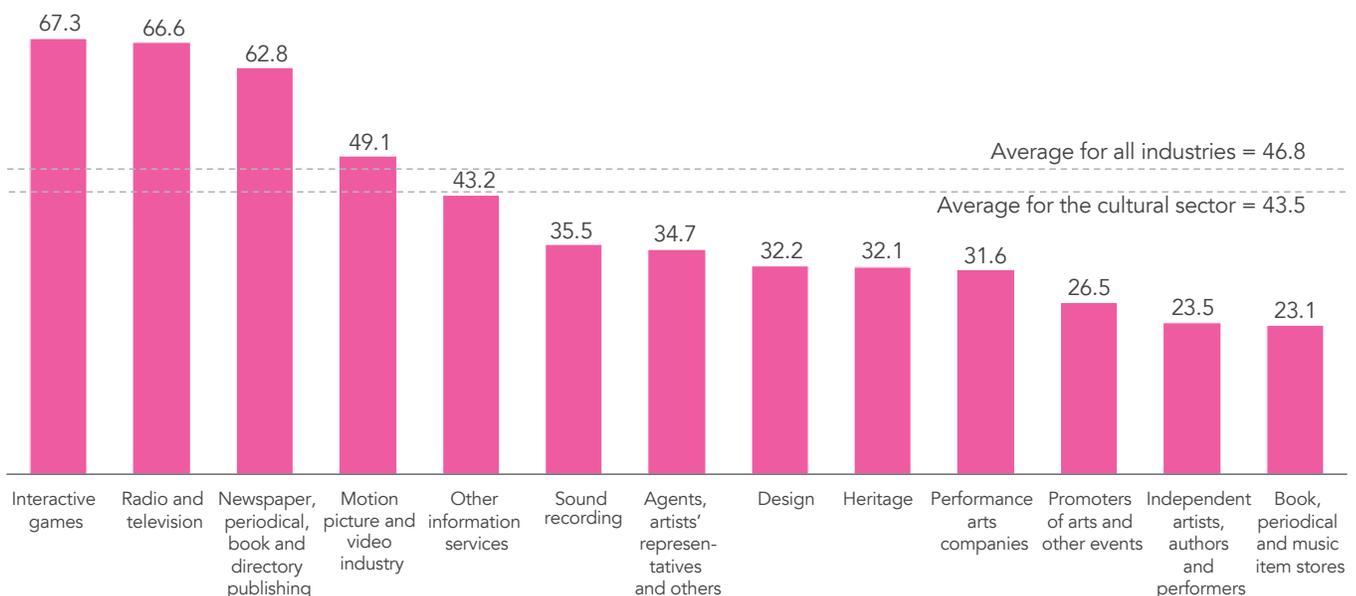
Employees in the cultural sector work the same number of hours as all other sectors of Montréal: 36 hours a week. However, there is a greater share of self-employed workers among them. In fact, **almost a quarter of employees in culture are self-employed workers** (24%), or over double the average for the metropolitan area (11%). This proportion is

particularly high for independent artists, authors and performers (78%), specialized design services (54%) and the sound recording industry (49%).

There is a reasonable balance between men and women in the cultural sector, i.e., 56% men and 44% women. These proportions differ little from the average for industries in the CMA, which is made up of 52% men and 48% women. However, certain subsectors are more polarized in the breakdown between men and women. This is the case for sound recording, made up of 71% men, and video games, with 84% men. On the other hand, the subsectors of other information services and agents and artists' representatives are majoritarily women – 66% and 68%, respectively.

AVERAGE REVENUE OF WORKERS BY CULTURAL SUBSECTOR

2013, CMA of Montréal, in thousands of \$



Source: Statistics Canada (National Household Survey, 2011)

Note: Income has been indexed for inflation to be representative of 2013.

With respect to level of education, employees in the cultural sector are more educated than the average for other sectors in Greater Montréal. Overall, **almost 80% of workers have a post-secondary education**, compared with around 60% for the entire region. The weighted average of cultural subsectors was

29% college-level diploma compared with 26% for all workers. The share of university degrees is 50% for the cultural sector compared with 35% for all workers in Greater Montréal. The most educated employees are in the publishing, information services, interactive games and arts and heritage sectors.

STATISTICAL PORTRAIT OF THE CULTURAL SECTORS IN MONTRÉAL

*Sector data, 2012-2014**

CULTURAL SUBSECTORS	NUMBER OF JOBS (ANNUAL AVERAGE 2012-2014)	TOTAL % OF THE SECTOR	AVERAGE INCOME IN THOUSANDS OF \$	HOURS WORKED	% SELF-EMPLOYED WORKERS	% MEN	% WOMEN	% OF WORKERS ACCORDING TO THE HIGHEST LEVEL OF EDUCATION COMPLETED	
								COLLEGE DIPLOMA	UNIVERSITY DEGREE
Motion picture and video industry	13,300	16%	49.1	37	24%	55%	45%	27%	45%
Specialized design services	12,233	15%	32.2	36	54%	44%	56%	34%	40%
Independent artists, authors and performers	11,233	14%	23.5	32	78%	57%	43%	19%	58%
Radio and television	9,333	11%	66.6	38	4%	53%	47%	33%	51%
Newspaper, periodical, book and directory publishers	8,000	10%	62.8	37	11%	46%	54%	20%	54%
Performance arts companies	6,533	8%	31.6	36	33%	51%	49%	25%	49%
Interactive games	7,008	8%	67.3	40	8%	84%	16%	36%	55%
Interactive games	4,000	5%	23.1	31	4%	41%	59%	30%	35%
Other information services	3,833	5%	43.2	33	7%	34%	66%	24%	56%
Heritage institutions	3,200	4%	32.1	34	4%	47%	53%	19%	55%
Promoters (presenters) of artistic, sports and similar events	1,867	2%	26.5	35	19%	49%	51%	26%	39%
Sound recording industries	1,300	2%	35.5	38	49%	71%	29%	32%	39%
Agents and representatives of artists, athletes and other public personalities	900	1%	44.7	37	36%	32%	68%	25%	47%
Total/average for the cultural sector	82,740	100%	43.5	36	24%	56%	44%	29%	50%
Total/average for all industries in the CMA	2,031,700	100%	46.7	36	11%	52%	48%	26%	35%

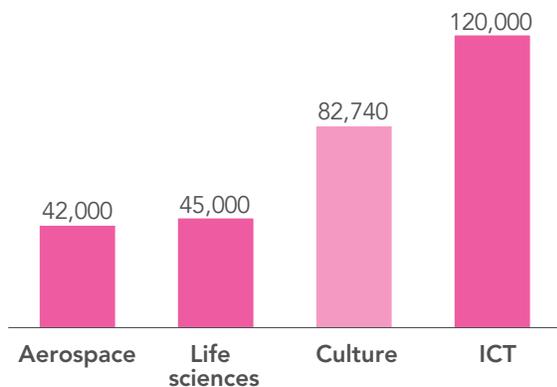
Source: Statistics Canada – Labour Force Survey (jobs) and National Household Survey (other data) and KPMG-SECOR analysis

*Note: Data on socioeconomic characteristics by subsector comes from the National Household Survey for 2011. Revenue data was therefore adjusted based on the evolution of average salaries by subsector in Québec to be representative of 2013. Data for the entire cultural sector corresponds to weighted averages for subsectors.

► 2.2 IMPORTANT CHANGES INFLUENCE THE EVOLUTION OF THE CULTURAL SECTOR

With 82,740 jobs in 2013, the cultural sector today has an important place in the economy of Greater Montréal. It compares favourably to a number of other industrial clusters in the region in terms of number of jobs. Its footprint in the job market is almost double that of the aerospace industry or life sciences. Overall, **an estimated one out of 25 workers is employed in the cultural sector in Montréal.**

JOBS IN MONTRÉAL'S INDUSTRIAL CLUSTERS 2013, in number of workers

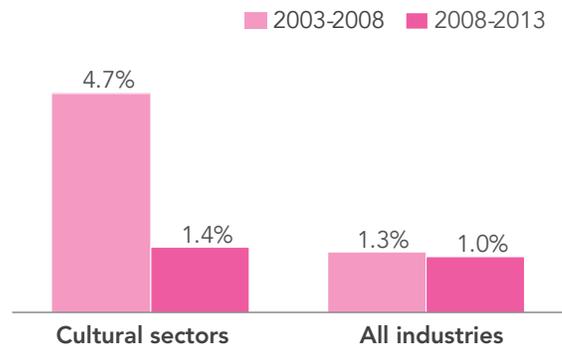


Source: Montréal InVivo, AéroMontréal, TechnoMontréal, Statistics Canada and KPMG-SECOR analysis

Note: Certain categories can be grouped together. In fact, CAE, which develops software in the aerospace sector, belongs to the ICT and aerospace clusters; video game companies belong to ICT and culture, etc.

However, for the past five years growth in the cultural sector has slowed. The compound annual growth rate (CAGR) in the number of jobs dropped from 4.7% between 2003 and 2008 to 1.4% between 2008 and 2013. A similar, albeit less marked, trend can also be seen in employment in all industries in the CMA of Montréal, where the compound annual growth rate went from 1.3% between 2003 and 2008 to 1.0% between 2008 and 2013. The economic crisis of 2008-2009 attenuated Montréal's overall economic performance, and jobs in the cultural sector were not spared.

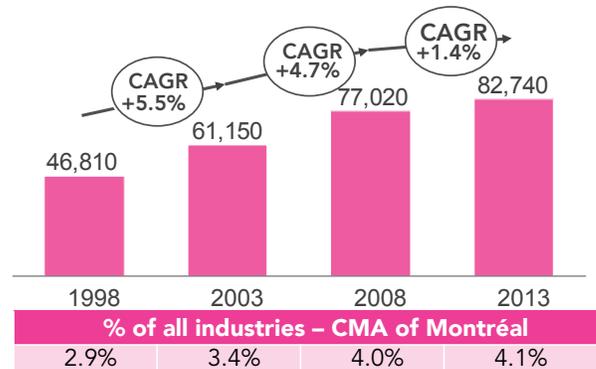
COMPARISON IN THE COMPOUND ANNUAL GROWTH RATE OF EMPLOYMENT IN THE CULTURAL SECTOR AND ALL INDUSTRIES – CMA OF MONTRÉAL 2003-2008/2008-2013, in %



Source: Statistics Canada (SEPH), KPMG-SECOR compilation

By maintaining a growth rate slightly higher than the average of industries, the cultural sector still continued to increase its share in the Montréal area economy, which was 4.1% in 2013 compared with 2.9% in 1998.

EVOLUTION IN JOBS IN THE CULTURAL SECTOR – CMA OF MONTRÉAL 1998-2013* in jobs, and CAGR in %



Source: Statistics Canada (LFS) and KPMG-SECOR analysis

*Note: 2013 is the average for years 2012 to 2014

Data from previous years was adjusted based on the new definition of the cultural sector as described in the previous section.

A number of major changes in the economy explain the slowdown in growth in the sector, particularly the following:

- ▶ Transition toward digital technology disrupting cultural industries, in particular in the disciplines of music, publishing and audiovisual production. This transition, which creates new opportunities, is also a source of challenges in terms of international competition and has a major impact on the business value chain. It also requires major investments both in terms of digitizing content and putting in place new distribution platforms.
- ▶ These new distribution platforms have also resulted in a change in how cultural content is consumed. Music streaming services, digital libraries and video-on-demand sites (e.g.: Spotify, Kindle Unlimited, Netflix, etc.) offer access to an almost unlimited number of titles for a fixed cost to consumers. This access to foreign content affects Québec content in particular: for the entire sound recording (physical and digital) sales market, Québec's share is 38% and has been dropping for four consecutive years (it was 50% in 2009).
- ▶ Competition is also growing among retailers because of online sales platforms and big-box stores, which resulted in a major drop in the average price in the book industry.
- ▶ Anemic economic growth in recent years has resulted in weak growth in local demand for cultural products – Québec household spending increased 2.4% annually on average between 2010 and 2012, while spending on leisure (including reading and other print material) increased only 0.7%.
- ▶ Brisk competition in live entertainment within the province, in particular between Montréal and surrounding areas, where new venues are opening. The Montréal area's share of attendance for paying shows in the performing arts in all of Québec is dropping: from 53% in 2009 to 46% in 2013, while the Montérégie, Laval and the

Laurentians increased audience numbers during the same period.³

- ▶ The limited increase, in fact a freeze on funds for government programs, cultural support and arts council support programs, in particular from the Conseil des Arts de Montréal and the Canada Council for the Arts, has slowed the development of a number of cultural organizations, as demand from them keeps growing.⁴
- ▶ Stagnant advertising budgets for new platforms has a significant effect on certain industries, in particular TV and radio broadcasting and audiovisual production. The more limited corporate sponsorships (including from government corporations) also has a major impact on many cultural organizations.
- ▶ Corporate business models are seriously affected by these trends, and many Québec companies have to adapt to new economic realities that demand major changes in methods of production, distribution and marketing, financing projects and activities and the investments required in training and new technology.

▶ 2.3 ECONOMIC SPINOFFS REMAIN SIGNIFICANT

In spite of the slowdown in recent years, the cultural sector continues to make a significant contribution to the economy of Greater Montréal. In addition to thousands of jobs supported, the cultural subsectors make a major economic contribution by creating added value (the equivalent of the contribution to the GDP).

In 2013, the cultural sector generated direct added value in the order of \$7.4 billion compared with \$6.6 billion in 2008.⁵ When one takes into account indirect effects, the added value is close to \$11 billion, or around 6% of the GDP of Montréal.⁶ Direct effects correspond to revenue generated by the sector's activities.

³ Observatoire de la culture et des communications du Québec (2014), "Dix ans de statistiques sur la fréquentation des arts de la scène," *Optique Culture*, number 34.

⁴ For example, the budget for general and export programs for SODEC dropped from \$62 million to \$58 million between 2009-2010 and 2013-2014. Other cultural support organizations, such as the Conseil des Arts et des Lettres du Québec, the Conseil des Arts de Montréal and the Canada Council for the Arts also decreased their grants in the past five years, or if they increased, they did so slower than the increase in the number of organizations subsidized (source: organizations' annual reports).

⁵ The 2008 figure was adjusted to reflect the new parameters of the cultural sector.

⁶ ISQ (GDP at basic prices by census metropolitan area).

They take the form of compensation to employees and self-employed workers, as well as other forms of income (benefits, employer costs, corporate profits, etc.). Indirect effects are revenue resulting from demand for goods and services among companies in the cultural sector to suppliers in Québec. They can take the form of professional services, purchases of material and equipment, etc.: this is the cascade effect of spending in the economy.

The **direct and indirect effects are therefore close to \$11 billion in added value, or around 6% of the GDP of Montréal.**⁷ This wealth is made up in large part of employee salaries and wages (direct and indirect), for over \$5 billion. In total, the sector supports 82,740 direct jobs, as illustrated in the previous section, and 48,199 indirect jobs in other sectors of the economy, for a total of over 130,000 jobs.

ECONOMIC IMPACT OF THE CULTURAL SECTOR

2013, in millions of \$ and person years

	DIRECT EFFECTS	INDIRECT EFFECTS ¹	TOTAL EFFECTS
Added value (in millions of \$)	7,358.0	3,381.6	10,739.6
Salaries and wages (excluding benefits)	3,600.3	1,627.8	5,228.1
Net income of individual companies	342.4	173.6	516.0
Other gross income	3,415.3	1,580.2	4,995.5
Labour (in person years)²	82,740	48,199	130,939

Source: KPMG-SECOR analysis from simulations by the Institut de la Statistique du Québec

Notes: 1- Indirect impacts are estimated for Québec as a whole, as spending by cultural sector companies can occur in other regions of Québec

2- The data is expressed in person years, that is, based on an amount of work equivalent to a full year.

The economic activity generated by the cultural sector also benefits the different levels of government. In total \$776 million comes from government tax revenue (payroll tax and consumption tax) while incidental taxes total \$851 million. Incidental taxes result from contributions to different programs, such as the CSST, the Health Services Fund, Employment

Insurance and the RRQ. **Overall, the cultural sector generated \$515 million for the Government of Québec and \$261 million for the Government of Canada in tax revenue,** excluding incidental taxes.

CULTURAL SECTOR REVENUE FOR THE GOVERNMENTS OF QUÉBEC AND CANADA

2013, in millions of \$

	DIRECT EFFECTS	INDIRECT EFFECTS ¹	TOTAL EFFECTS
Total revenue for the Government of Québec			
Tax revenue	370.1	144.8	514.9
Incidental taxes	461.2	230.5	691.7
Total revenue for the federal government			
Tax revenue	182.0	79.0	261.0
Incidental taxes	107.9	51.0	158.9

Source: KPMG-SECOR analysis from simulations by the Institut de la Statistique du Québec

Note: 1- Indirect impact is estimated for Québec as a whole, since spending by cultural sector businesses can occur in other regions of Québec

⁷ ISQ (GDP at basic prices by census metropolitan area).



3

FUNDING CULTURAL ORGANIZATIONS: PRIVATE SECTOR CONTRIBUTION THAT VARIES ACCORDING TO THE SIZE OF ORGANIZATION

3

FUNDING CULTURAL ORGANIZATIONS: PRIVATE SECTOR CONTRIBUTION THAT VARIES ACCORDING TO THE SIZE OF ORGANIZATIONS

NOTES ON METHODOLOGY

As for 2009, information on funding cultural organizations was obtained from Conseil des Arts de Montréal (CAM) data. The data collected about the revenue⁸ of 255 non-profit arts organizations that received grants from the CAM in 2013 was aggregated and compiled to establish averages based on the size of organizations and the artistic discipline.

The same sample could not be used as for the 2009 study, since:

- ▶ certain organizations no longer exist
- ▶ there was a change in the fiscal year of certain organizations
- ▶ certain organizations are supported by project funding and not multi-year funding, and their annual financial statements are not provided systematically
- ▶ certain organizations left Montréal
- ▶ certain organizations made no further applications for grants after 2008
- ▶ new organizations received funding from the CAM since 2008

Organizations in this sample are non-profit arts organizations whose main mandate is professional artistic creation, production or presentation. The arts disciplines in this section of the study have been grouped into six major categories based on the typology used by the Conseil des Arts de Montréal:

- ▶ visual arts (beyond visual arts; also includes digital arts, museums, film and video)
- ▶ dance
- ▶ literature (mainly cultural magazines)
- ▶ music (except song and pop music)
- ▶ theatre and new artistic practices (also includes multidisciplinary and cross-disciplinary arts)
- ▶ festivals (all disciplines)

⁸ The data corresponds to actual revenue from the last audited fiscal year, 2012-2013 in most cases and 2011-2012 for organizations for which 2012-2013 data was not available.

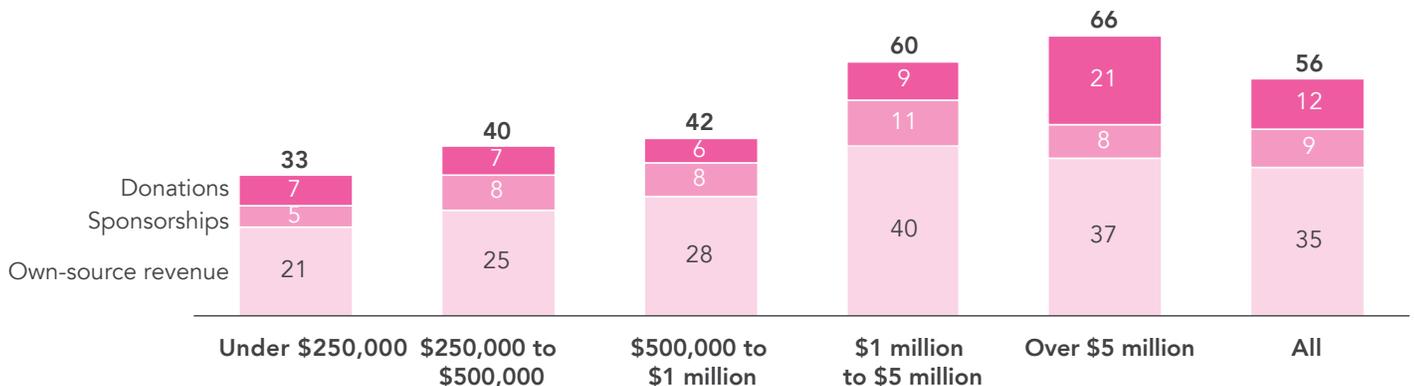
► 3.1 AN UNEVEN CONTRIBUTION FROM PRIVATE REVENUE ACCORDING TO THE SIZE OF ORGANIZATIONS

Overall, it is interesting to note that in 2013, **arts organizations in Greater Montréal generated on average over 56% of their revenue through private sources**, the rest coming from grants from different levels of government. These sources of private financing include donations, sponsorships (in cash or services) as well as own-source revenue. This revenue can be generated by the organization’s different commercial activities, such as box-office revenue or revenue from subscriptions, room or equipment rentals, retail and restaurant sales, etc. Since 2008, there have been few major changes in the relative share of each type of financing (public, donations and sponsorships, own-source revenue), and **organizations of all sizes and disciplines have managed to maintain a proportion of private revenue in the order of 56%**. Given the freezing of a number of subsidy programs from different levels of government, combined with more restrictive policies regarding donations and sponsorships by many companies in an uncertain economic climate, arts organizations have had to step up their efforts to maintain their level of financing. However, certain **larger organizations (over \$1 million) generate a more significant share of their revenue from private sources**, or over 60%, compared with around 40% for smaller

organizations. This difference can be explained in part by their ability to attract larger donations and sponsorships. In fact, the operating budgets of organizations with a budget of over \$5 million is 29% from donations and sponsorships, a share that is 12% to 15% for organizations with a budget of under \$1 million. This drives small organizations to get more creative to find sponsors and donors and to form promising long-term partnerships.

Furthermore, large organizations (a budget over \$5 million) have most increased the relative share of private financing in total revenue (from 59% to 66%) in the past five years, an increase that is explained in large part by the rise in the share of own-source revenue, which rose from 32% to 37% of the total budget.

SHARE OF PRIVATE FINANCING OF ARTS ORGANIZATIONS SUPPORTED BY THE CAM – ACCORDING TO SIZE 2013, in %



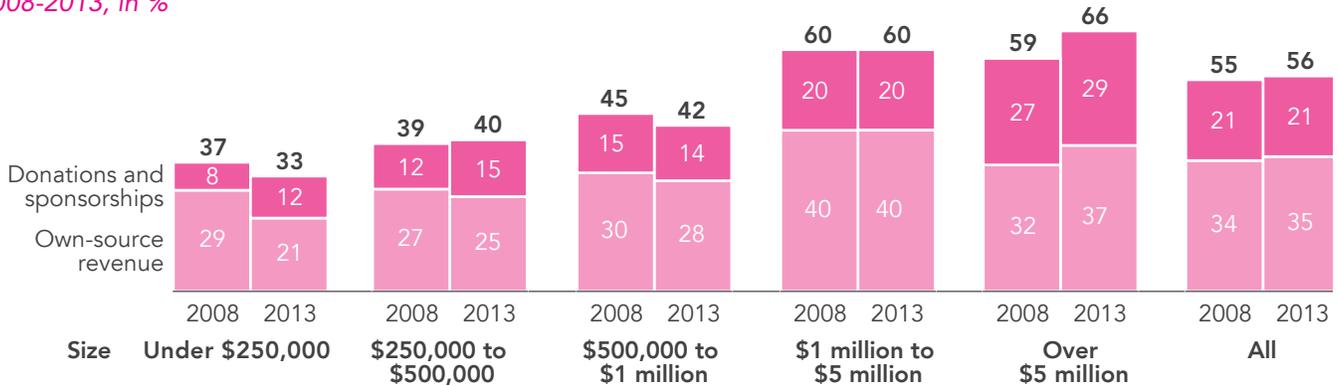
Source: Conseil des Arts de Montréal

Note: Sponsorships include cash and service sponsorships, but the data does not make it possible to distinguish between the two. Own-source revenue includes box office, subscriptions, rental revenue, store and restaurant revenue, etc.

Inversely, the smallest organizations (budget less than \$250,000 and \$500,000 to \$1 million) saw their proportion of private revenue drop slightly. For organizations with a budget of less than \$250,000, this

drop is explained by the decrease in the proportion of own-source revenue (from 29% to 21%), while donations and sponsorships increased between 2008 and 2013 (from 8% to 12%).

EVOLUTION IN THE SHARE OF PRIVATE FINANCING OF ARTS ORGANIZATIONS SUPPORTED BY THE CAM – ACCORDING TO SIZE
2008-2013, in %



Source: Conseil des Arts de Montréal

Note: Sponsorships include cash and service sponsorships, but the data does not make it possible to distinguish between the two. Own-source revenue includes box office, subscriptions, revenue from rentals, stores, restaurants, etc.

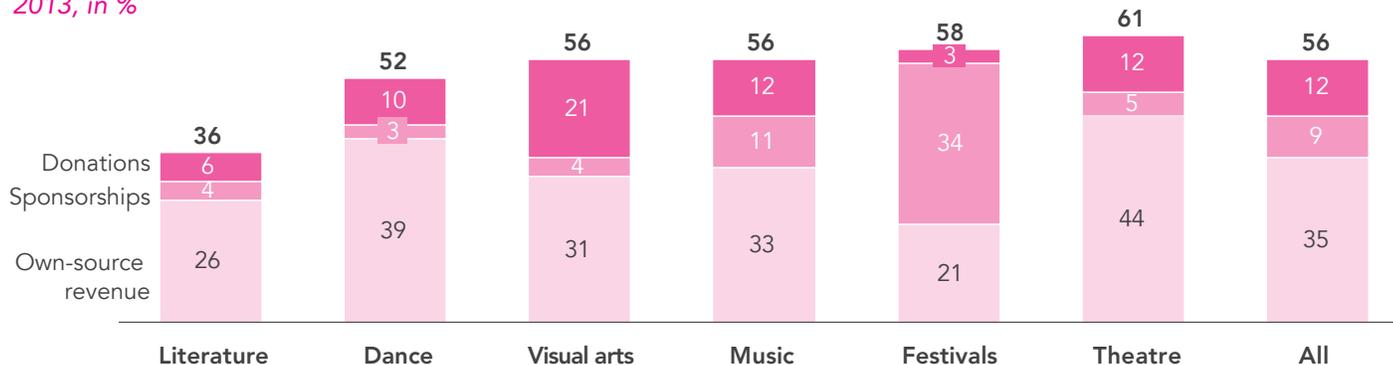
► 3.2 SHARE OF PRIVATE REVENUE STABLE FOR FIVE YEARS, BUT BENEFITTING SOME SECTORS MORE THAN OTHERS

Observing the breakdown of private revenue by discipline, we see that **organizations in the world of literature – mainly cultural magazines, but also literary festivals and writers’ and publishers’ associations, etc. – are the only ones that generate less than 50% of their revenue from private sources** (donations, sponsorships or own-source revenue). Furthermore, literature is made up exclusively of organizations with budgets under \$1 million.

generally accounts for the largest share of private revenue, except for festivals, whose private revenue comes mainly from sponsorships (including service sponsorships). Finally, **the visual arts (which includes museums) stand out for their share of donations, which accounts for 21% of total revenue**, compared with 12% for all disciplines.

Dance and theatre have higher shares of own-source revenue than average, thanks to subscription and box office revenue. **In spite of the variation of own-source revenue between disciplines, this source**

SHARE OF PRIVATE FINANCING OF ARTS ORGANIZATIONS SUPPORTED BY THE CAM – BY DISCIPLINE
2013, in %



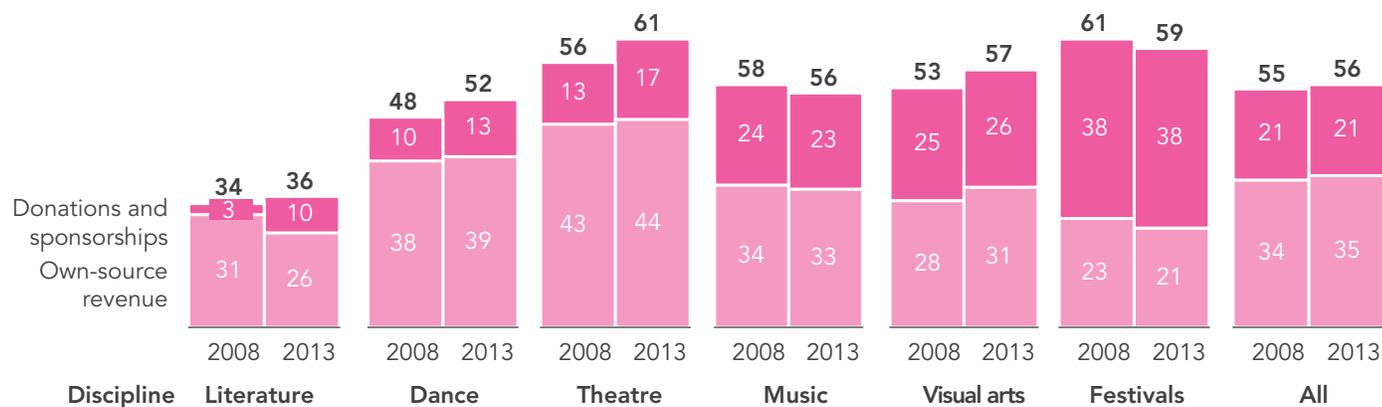
Source: Conseil des Arts de Montréal

Note: Sponsorships include cash and service sponsorships, but the data does not make it possible to distinguish between the two. Own-source revenue includes box office, subscriptions, revenue from rentals, stores, restaurants, etc.

When this data is analyzed over five years, dance, theatre and visual arts stand out favourably, all having succeeded in increasing both the share of donations and sponsorships and the share of own-source revenue over the past five years. Literary organizations also significantly increased the relative share

of donations and sponsorships in their financing in 2013, that is, triple the level seen in 2008, however, that growth was tempered by the drop in the share of own-source revenue.

EVOLUTION OF THE SHARE OF PRIVATE FINANCING OF ARTS ORGANIZATIONS SUPPORTED BY THE CAM – BY DISCIPLINE
2008-2013, in %



Source: Conseil des Arts de Montréal

Note: Sponsorships include cash and service sponsorships, but the data does not make it possible to distinguish between the two. Own-source revenue includes box office, subscriptions, revenue from rentals, stores, restaurants, etc.





4 TRENDS AND GOOD PRACTICES AMONG CULTURAL ORGANIZATIONS: OPENNESS, INNOVATION, VISION

4 TRENDS AND GOOD PRACTICES AMONG CULTURAL ORGANIZATIONS: OPENNESS, INNOVATION, VISION

► 4.1 BACKGROUND

For a number of years, the Board of Trade has been emphasizing the importance of cultural organizations developing innovative strategies to diversify their sources of revenue and increase own-source revenue.

In fact, a Board of Trade survey conducted in 2009 among companies in Greater Montréal to assess the support they provide to Montréal's cultural sector revealed that culture came fourth among the most supported sectors of activity, behind health, poverty and social exclusion, and education. More recently, a survey conducted by Leger – The Research Intelligence Group for *Épisode*, a company that specializes in fundraising, showed that 28% of large companies supported arts and culture, compared with 13% of Québec SMEs. Health, education, childhood and youth, the battle against poverty and social exclusion, and local community services receive more support.

Company priorities, combined with an uncertain economic climate affecting their donation and sponsorship policies and more limited aid from government corporations and from certain levels of government, have prompted cultural organizations to be more innovative to ensure their growth and, sometimes even their survival.

The Board of Trade has been stepping up efforts in the past decade to bring the cultural and business communities closer together, to form ties and create partnerships. This is why it has been part of the **Montréal, Cultural Metropolis** steering committee since it was created in 2007, why it regularly hosts speakers from the world of culture and why it produces publications on the economic importance of

culture in Montréal and business people's involvement in culture. The most recent ones, the guides *The Art of Investing in Culture and Making Culture Your Business – Inspirational Profiles for Inciting People to Action*, are addressed to companies and business people to encourage them to give more support to the cultural sector, through donations and various types of involvement.

Drawn from interviews conducted with six cultural organizations of different sizes operating in different disciplines,⁹ the following section presents some of the innovative practices the search for private financing. It shows the vitality and creativity of organizations met with in their search for new sources of financing.

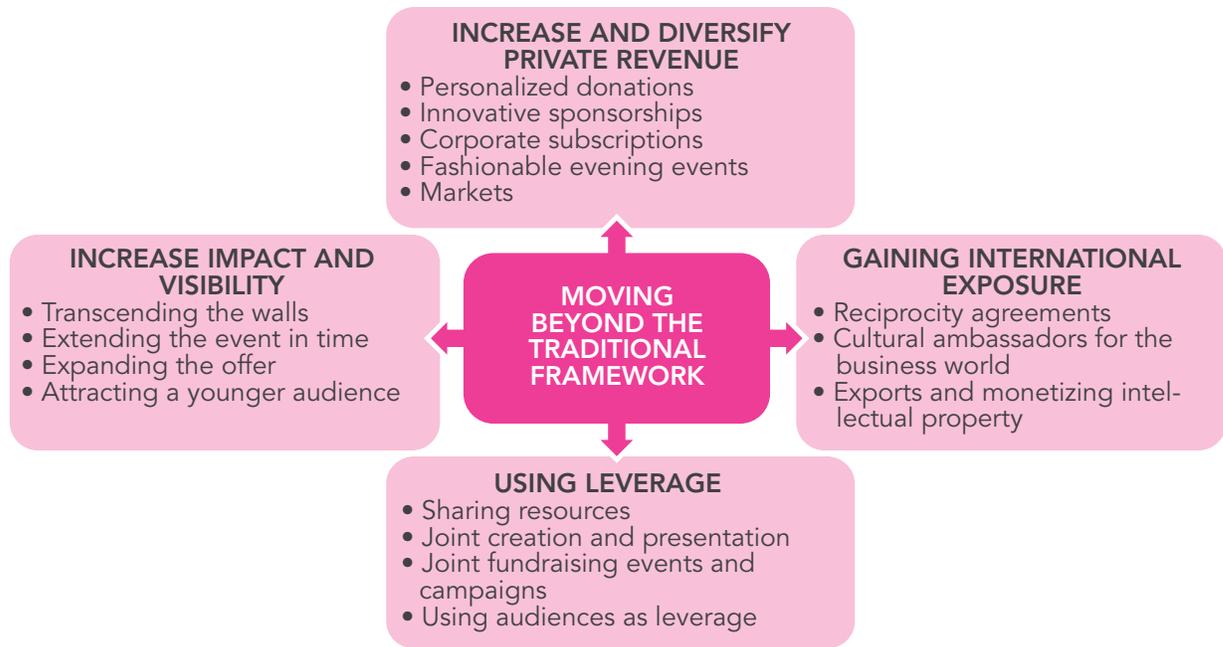
► 4.2 MOVING BEYOND THE TRADITIONAL FRAMEWORK

Generally, in every discipline and regardless of the size of the organization, the development of many cultural organizations depends on a vision of openness and innovation that involves **moving beyond the traditional framework**. This new approach is used for audience development, new activities, extending offers in time and space, developing new partnerships and the ongoing search for innovation and creativity.

This approach adopted by organizations is not just a reflection of the need to generate larger audiences and new revenue, it is also part of the dominant trends that affect all artistic and cultural disciplines, i.e., multidisciplinary, transdisciplinary, more joint creation and expanding missions. They are pushing limits, interacting and collaborating, while retaining their authenticity, identity and consistency.

⁹ See notes on methodology on page 42.

Of the initiatives to develop audience, visibility and revenue, some were identified as being particularly promising and/or innovative. They were grouped into four main categories:



The calibre of the organization and its governance is essential for such initiatives; it is also an important factor in the strategy of cultural organizations. In terms of generating donations and sponsorships, having a solid, involved board of directors with wide-ranging expertise and a good network of contacts is key to success. For example, adding members of the business community to a board of directors is a good idea, particularly when the strategies proposed complement the artistic vision of members of the cultural milieu: this is a winning combination for completing projects. Plus, there is a specific CAM program – Go-C.A.¹⁰ – to make matches and provide boards of directors new members from the business world.

The following section presents a few of these practices introduced by cultural organizations for each of the four categories identified (the order of presentation does not reflect the importance of the initiatives described).

► **Increase and diversify private revenue**

In terms of donations, annual campaigns (for operations, capital projects and endowment funds), benefit evenings, annual fundraising events, etc., are

still essential and tend to generate the most endowment revenue. However, market saturation and budget cuts in corporate donations and sponsorships, particularly government corporations, mean that organizations have to explore new avenues. This means approaching new non-traditional donors and partners (with individuals, small businesses, large corporations and foundations...) and proposing value-added partnerships. One illustration of this type of approach to increasing donations is **personalizing donations**:

- **Patronage or the purchase of “shares in creation”**: Rather than making a general donation to an organization or institution, the donation becomes more real by connecting it to an object, a work or a moment. This approach has the merit of making the donation more tangible, making it concrete and lending it scarcity. It is increasingly common in organizations of all sizes and applies both for small and larger donations. Interesting examples include the McCord Museum Foundation’s Adopt-an-Artifact program, purchasing words for the Festival du Jamais Lu (micro

¹⁰ More details on Go-C.A. are available on page 46 or at <http://www.artsmontreal.org/fr/programmes/go>.

donations) and the Grands Ballets Canadiens de Montréal (GBCM) Minutes of Creation.

THE GRANDS BALLETS CANADIENS DE MONTRÉAL'S MINUTES OF CREATION PROGRAM

The GBCM, like other cultural organizations, has to differentiate itself in fundraising in a highly saturated market. The institution innovated by introducing a minutes of creation sales program, essentially a program that allows donors to become "shareholders" in works by buying a minute of creation, for \$1,000 a minute. In addition to the donor's name being mentioned in the program for the show, the donation also offers a unique opportunity to explore the creative process by attending a rehearsal, making the donation more tangible and giving donors the chance to meet the artists. To date, this initiative was a resounding success and all the minutes were sold. It also made it possible, for example, to raise over \$84,000 for the creation of Stijn Celis' *Transfigured Night*.

Details are provided in the case studies in the appendices.

- ▶ **Crowdfunding:** This tool is still experimental in the realm of culture, although it is well established in other areas, such as technology. Crowdfunding gives organizations access to a financing platform that can reach many small donors. This strategy is effective when the goal of the fundraising effort is concrete: a project, an artwork, a building... In addition to providing financial support, this type of platform draws a community of interest around projects, increases the visibility of a project and creates momentum to complete it. Crowdfunding was also used for the MMFA to acquire Dale Chihuly's *Soleil*. As part of this general public campaign, the MMFA offered people the chance to make donations of \$2 to \$20 by text, via the website, by phone, by mail or on site. This crowdfunding campaign

was a big success, and the funds raised were rounded out by a few major donations that finalized the purchase of the work in November 2014. In 2012-2013, the Montreal International Documentary Festival also used the Indiegogo platform to ensure continuity for the Youth Program after budget cuts that put the program at risk. This initiative enabled them to raise over \$10,000.

- ▶ **Participation of donors in the creative process – "J'aurais voulu être un artiste":** Some organizations go even further in personalizing the donation by making donors part of the creative process. A number of particularly innovative initiatives target the business community. Sylvain Énard Danse is a good example, which has employees of donor companies dance with well-known personalities from the arts world, or the Festival du Jamais Lu, which allows business people to become actors for an evening and read new texts from emerging authors.

Going well beyond visibility and displaying logos, effective sponsorships are now based on innovative concepts that allow all stakeholders to get something out of them and that offer major added value to partners.

- ▶ **Proposals for innovative sponsorships:** Innovative sponsorships are avant-garde concepts that provide audiences an authentic experience. They offer concrete opportunities for partners to make contact with current or potential customers, and allow customers to interact with the products. These include partnerships formed by the McCord Museum as part of its Music exhibition, particularly the Sony sponsorship that offered visitors the opportunity to try Sony products (headsets, HD video and audio systems, etc.) and get a feel for their potential in a real-world, entertaining context.

THE MCCORD MUSEUM MUSIC EXHIBITION

The exhibition **Music – Quebec: From Charlebois to Arcade Fire** was presented by Sony and Radio-Canada, in cooperation with Milk and supported by many other sponsors, such as Elle Québec, the Festival de Jazz de Montréal, the Francolies, the Fashion & Design Festival and Sofitel.

Sony's Canadian head office in Toronto made a particularly innovative and strategic contribution by offering the museum 200 headsets and audio and video equipment, in addition to contributing funding. For the company, which is interested in the Montréal market, it was a unique opportunity to demonstrate the new HD audio system and its headsets by giving visitors the chance to listen to song excerpts on them. With a Sony store nearby, visitors who were interested could acquire new Sony products, and store customers could go to the exhibition to try the products. Sony also sponsored a "5 à 9" event at the museum, which 400 guests (mainly young adults) were invited to. The company also held a contest with a complete audio system as the prize. For the museum, it was a unique opportunity to offer audiences a truly immersive experience in terms of sound and visual quality and ambiance, in addition to helping upgrade its audiovisual equipment that can be used for other exhibitions and events.

The exhibition's success, which doubled the number of visitors normally seen in the summer, lay in designing a truly immersive experience, with a concept that went beyond the exhibition and was carried over to many other places as well as the virtual sphere. Sponsor interest was generated by the innovative concept and the chance for partners to interact with the public, involving much more than a traditional sponsorship.

Details are provided in case studies in the appendices.

In addition to donations and sponsorships, **own-source revenue** made up a large share of funding for organizations. It can account for a large proportion of total revenue (up to 50%) and is more "controllable" than revenue from grants or donations. This revenue is generally made up of box office and subscription revenue, revenue from cultural and educational activities, space rentals and more. Furthermore, a number of organizations with presence on the street, such as theatres and museums, have stores, restaurants, cafés, etc. Here are a few innovative examples:

Corporate subscriptions: These are packages specifically for companies. They include subscriptions for a certain number of people (e.g. Opéra de Montréal) or customized products for corporate clients (like corporate VIP evenings at the Théâtre du Nouveau Monde).

Fashionable evening events: An increasing number of organizations are discovering the expanded potential of their brand and are using their premises to create new concepts for events that target new clienteles, generally young people. Already very popular in museums (e.g.: the McCord Museum "5 à 9," the MAC's Nocturnes), this type of evening is now made part of the activities of other organizations, such as La Nuit à l'Opéra, grilled cheese Fridays at the Théâtre de Quat'Sous, poker nights at Infinithéâtre,

to name just a few. The goal is audience development more than revenue generation, because these activities attract non-traditional clienteles. They are still generally profitable for organizations.

Markets: Markets are a recent phenomenon in the search for own-source revenue. These occasional events, generally occurring during the holidays, allow organizations to diversify their revenue. For the GBCM, the Nutcracker Market finances the activities of the Nutcracker Fund, which enabled hundreds of children to attend a free performance of the show this year. Since its creation, the market has gained in popularity, with traffic increasing from 12,000 visitors in 2010 to 68,000 in 2014. Furthermore, 75% of the clientele has never attended a GBCM show, which offers great potential for growth for the company. While participating in the GBCM's social mission, the market is a way to consolidate the Nutcracker brand and increase the GBCM's visibility with new audiences.

The Society for Arts and Technology created the souk@sat, and Pop Montreal launched Puces Pop. These two markets are meant to showcase products by emerging Québec artists and designers. The Contemporary Art Galleries Association organizes a contemporary art fair of works on paper. The show is a venue for discussion and meetings where some

40 Canadian galleries come together, and every year it welcomes thousands of visitors, fans and professionals. These events allow organizations to increase their revenue, visibility and influence.

► Increase impact and visibility

Among the other approaches cultural organizations adopt for their development, there are many initiatives to increase impact (in terms of audience, in particular) and visibility, at home and, in some cases, abroad. This generally involves expanding the offer, either by targeting new audiences or by extending the organization's offer in time or in space. These approaches can take a number of forms:

- **Transcending the walls:** For institutions with an offer tied to a physical place, such as museums, theatres, orchestras and dance troupes, some organizations offer related activities in other indoor or outdoor sites to reach a broader audience and make new clientele aware of them. This type of initiative is sometimes part of cultural mediation efforts that are part of the mandate of organizations. This involves generating discussion and encounters between citizens and cultural and arts milieus to reach a broader audience from different backgrounds.

Many organizations use this sort of approach once or regularly, including outside programming (e.g.: the McCord Museum's photo exhibition on McGill College Avenue, the RIDM's interactive installations in the Quartier des Spectacles, Sylvain Énard Danse's presentation of *Le Grand Continental*TM at Place Émilie-Gamelin or the OSM staging shows on the Place des Arts' Esplanade). A number of organizations also offer programs and workshops in schools, companies and more. This is particularly the case for organizations such as the Opéra de Montréal through its CoOpera program with elementary school students and RIDM's activities in schools.

- **Extend the event in time:** The primary offer of certain organizations is defined in time, for example, a festival or programming that runs on a particular schedule. Complementary activities can be added at other times. This has a positive impact on audience development and on the visibility and reputation of the organization and the brand. This is the case particularly for the RIDM, which offers year-round programming

(Docville, outdoor programming, programming in companies and for young audiences, a Québec City, etc.).

- **Expanding the offer into non-traditional spheres:** In some cases, the scope of the offer evolves to a point that a new entity related to the organization's mission is created. One of the most eloquent examples is the recent creation of the National Centre for Dance Therapy, a GBCM initiative that brings together many partners and that will be integrated to Espace Danse Québec in the Wilder Building, in the heart of the Quartier des Spectacles. The MMFA also renovated and converted the Erskine & American Church to create a concert hall thanks to a major donation from patron Pierre Bourgie (Salle Bourgie) to present chamber music and other concerts, such as string orchestra concerts.

THE GRANDS BALLETS CANADIENS DE MONTRÉAL CREATES THE NATIONAL CENTRE FOR DANCE THERAPY

Created in 2013, the National Centre for Dance Therapy is the first initiative to integrate therapy through dance and movement, clinical research and university program development in the field of dance therapy. Combining dance and health, the project is an opportunity to form partnerships with universities (Concordia University, Université de Montréal) and health care institutions (CHU Sainte-Justine, CHUM, Institut Universitaire en Gériatrie de Montréal, the Ministère de la Santé et des Services Sociaux). This new involvement in health and the centre's national scope create a new opportunity for the GBCM to extend its network outside Québec, to diversify sources of financing and to strengthen ties with donors through its greater impact on society. The National Centre for Dance Therapy will be replicated in a number of countries, including the Netherlands.

Details are provided in the case studies in the appendices.

- **Attract a younger audience:** For many organizations, aging audiences is a major challenge. So most have developed strategies to attract a younger clientele (competitive rates, daytime and evening events, etc.). These activities can take a number of forms and reach varied clienteles, from young children (programs in schools) to young adults (partnership with universities, preferred rates, fashionable evening events, groups,

etc.). These strategies are essential to developing audiences. The MMFA's Young Philanthropists' Circle, the GBCM's Je Me Pointe card which offers people age 30 and under tickets at a reduced price, and the RIDM in School program (screenings, student juries, workshops) demonstrate the range of forms this type of strategy can take.

DEVELOPING YOUNG AUDIENCES FOR THE OPÉRA DE MONTRÉAL

A number of initiatives have been instituted to lower the average age of audience members and introduce young people to opera, developing the audiences of tomorrow. These initiatives target different age groups:

- ▶ Students age 10 to 11 are invited to take part in matinee performances for school groups.
- ▶ The coOpera program gets students in grades 4 and 6 from four primary schools rewriting and creating a musical, under the supervision of an Opéra de Montréal team.
- ▶ Dress rehearsals are opened up to youth 12 to 17. This initiative has been a big success.
- ▶ Reduced rates were introduced (\$60 for two shows) to reach youth 18 to 30.
- ▶ A network of campus ambassadors, whose role is to promote subscriptions for university students ages 18 to 30, was developed.
- ▶ A committee of volunteers ages 25 to 35, the Young Associates, organizes philanthropic events and introduces opera to tomorrow's leaders. The highlight event, *Night at the Opéra*, sponsored by National Bank, attracts over 600 young people for an evening amid the sets for a new show.

All of these initiatives have made a major contribution to attracting a younger clientele. The Opéra de Montréal's current audience is now 30% people under 30.

Details are provided in the case studies in the appendices.

▶ International visibility

For decades, a number of cultural organizations in Greater Montréal have been garnering international visibility, mainly by touring. This is the case for orchestras, dance companies, theatre companies, circuses, etc. In some cases, organizations have a greater presence and are better known abroad than

in Québec (e.g.: certain children's theatre companies). In disciplines like circus arts, Montréal's creativity and talent have made a particular impact abroad through tours. The recent success of the Cirque Alfonse's tour of *Timber!* shows the troupe's remarkable market development efforts. This tour, which received the Prix du CALQ (Conseil des Arts et des Lettres du Québec) for the best international tour, promises to have a big impact on the organization.

- ▶ **Reciprocity agreements:** While touring generates revenue, tours are also very expensive to organize and are often used more for visibility and reciprocity agreements that offer a chance to invite other international organizations to Montréal. In fact, reciprocity agreements developed between cultural institutions in different countries give cultural organizations wide visibility internationally as the guest of an institution (e.g.: the GBCM with the Houston Ballet) and add something unique to the local offer by including a work from another country in its program, like during the presentation of *Turandot* at the Opéra de Montréal in 2014, thanks to an agreement between the Opéra de Montréal and Opera Australia.
- ▶ **Cultural ambassadors to the business world:** During tours, premieres, openings, etc., organizations that present shows or exhibitions abroad become ambassadors of Montréal's and Québec's creativity. Organized evenings become prestigious events and unique opportunities for businesses, diplomats and others to invite customers and partners to network in a unique, unconventional context.

The example of the GBCM speaks volume on this front: it takes the opportunity of its international tours to invite donors, patrons, diplomats and other personalities from Québec to private receptions around the world. People from the business world and politics have a chance to strengthen ties with foreign partners, while providing visibility to Québec culture and Montréal's positioning as a cultural city. In the recent years, the GBCM organized such evenings in Tel Aviv, Cairo, Beijing and elsewhere. The GBCM also takes these opportunities abroad to expand its network of donors and sponsors, while positioning the company as a dynamic player in consolidating ties between Québec/Canada and the countries in question.

► **Exporting and valuing intellectual property:**

Going beyond traditional markets and local audiences is not a new concept, because many dance, music, theatre and other organizations have long been in the habit of doing international tours, contributing to the organization's artistic influence and Montréal's creativity. Beyond simple touring, there are more and more joint creations with international organizations

and reciprocity agreements between organizations (e.g. GBCM with the Houston Ballet). Furthermore, certain organizations will export concepts or "formats" in exchange for royalties for intellectual property (e.g. MMFA, Sylvain Émard Danse, Opéra de Montréal). This additional source of revenue makes it easier to turn a profit on shows and exhibitions.

SYLVAIN ÉMARD DANSE SELLS *LE GRAND CONTINENTAL* ABROAD

Given the enthusiasm surrounding *Le Grand Continental*TM in Québec, the show was presented in Mexico, New York, Philadelphia, Portland (Oregon), Ottawa, Boston and Vancouver. To date, the original concept has involved 1,000 dancers and reached some 75,000 spectators across North America. To protect its intellectual property (*Le Grand Continental* is a registered trademark) and the show's integrity, Sylvain Émard Danse assigns rights to partners to present the concept, but requires that the format be respected and the staging supervised locally by Sylvain Émard himself or by an accredited rehearsal coach. The organization then receives a guaranteed fee. The host presenter handles the cost of producing and presenting the show as well as travel and accommodation costs for the choreographer and/or the rehearsal coach. The net revenue generated is then reinvested in creating other works by the company.

Exporting *Le Grand Continental* also generated more visibility for the dance company, particularly through press coverage of the shows around the world. This increased visibility is reflected in attendance for other Sylvain Émard Danse shows.

Details are provided in the case studies in the appendices.

THE OPÉRA DE MONTRÉAL SENDS ITS CREATIONS ON THE ROAD

It is very expensive to design and produce a major opera, and there are a few local performances (e.g.: the opera *Samson and Delilah* ran for only four evenings in Montréal), the shows developed by the Opéra de Montréal benefit both in terms of revenue and visibility from being "exported" to other markets in North America, Europe and even Asia. More than a simple rental, the Opéra exports not only its costumes, sets and other key components of the staging (e.g.: projection elements), but also the main creators of the work to ensure the integrity of the creation when presented in other venues around the world. This is still a form of monetizing intellectual property for royalty revenue, an avenue to explore further in the future. While export revenue fluctuates significantly one year to the next based on demand, it can be considerable, as much as \$300,000 annually.

Details are provided in the case studies in the appendices.

► **Use leverage**

Increasing efficiency is also essential to the development and performance of organizations. While efficiency initiatives do not necessarily generate revenue, they create synergy, save money and allow the organization to have greater impact and financial leeway. Promising initiatives include:

► **Resource sharing:** An increasingly common practice among cultural organizations which involves sharing offices, rehearsal or presentation

space or sharing creative, operational and support personnel. This creates synergy between organizations, reduces costs and offers the benefit of professional expertise that may not be accessible for small organizations. In certain cases, organizations in the same discipline band together to benefit from increased visibility and to generate enough of a critical mass so that the site becomes a destination. This sort of group effort can have many advantages: emulation, exchanges, better visibility, wider reach and more.

Some of the most effective examples are:

- the Théâtre Aux Écuries, the outcome of the shared ambition of seven companies, offering a centre for theatre creation and development for emerging artists.
- Circuit-Est, a group of dance companies and independent choreographers offering studios for rent, professional development classes and workshops.
- Espace Danse Québec, the new building in the Quartier des Spectacles, which brings together four dance organizations: Agora de la Danse, the École de Danse Contemporaine de Montréal, the GBCM and Tangente.
- the Belgo building downtown, home to many contemporary art galleries.
- the recent *Le Cube* project, an international centre for research and creation in children's and youth theatre resulting from the collaboration of the Théâtre Le Carrousel, the Théâtre Le Clou and the Centre Culturel Communautaire Sainte-Brigide, to enrich and develop children's theatre. The premises for the project will be in the Sainte-Brigide-de-Kildare church, helping revitalize a heritage site.

LE CENTRE DE CRÉATION THÉÂTRALE AUX ÉCURIES

Founded in 2005, the Théâtre Aux Écuries is home to seven emerging companies that do not have a dedicated performance space. Their common goal was to create a place to have regular contact with audiences, ramp up activities and support other artists in the community. To develop Québec theatre, the Théâtre Aux Écuries is trying to support alternative, original practices, with a particular focus on young artists. The theatre thus fosters a culture of cooperation and knowledge transmission.

Sharing takes a number of forms:

- ▶ The dual roles played by managers of member organizations, who also have roles to play at the Théâtre Aux Écuries (e.g.: the general manager of the Festival du Jamais Lu, Marcelle Dubois, is also artistic director for the Théâtre Aux Écuries and the Théâtre les Porteuses d'Aromates);
- ▶ Sharing professional resources such as for communication and accounting. To do this, each organization purchases a bank of hours of these shared resources that they can use all year long;
- ▶ Sharing physical resources and services: rehearsal and performance space (with box office service, reception, etc.), office space, etc.

Details are provided in the case studies in the appendices.

- ▶ **Copresentation, coproduction and other partnerships between organizations:** These are joint projects between local organizations or with international partners that are based on cost sharing, with a number of organizations helping fund creation and production and allowing for much wider presentation and visibility in different venues, cities and even countries. Examples include:
 - the Opéra de Montréal and its coproductions with major American opera companies.
 - the Festival du Jamais Lu, with the Théâtre du Trident de Québec and Ottawa's National Arts Centre's Théâtre Français, which shared the costs of creation for the play *S'appartenir* and then presented it individually.

Beyond sharing costs, many arts organizations are increasing partnerships and alliances to develop audiences and increase their local exposure. Such agreements are promising when they are worthwhile and handled properly, and when the joint offer is complementary and consistent with individual offers and identities. In fact, it is important that partnerships be formed between organizations that share values and whose audiences are complementary, failing which there is a risk of dilution or confusion. Among the interesting initiatives, there are the McCord Museum's many partnerships with various organizations (Blue Metropolis, Héritage Montréal, Mois de la Photo, FIFA, etc.).

Another interesting example is the RIDM forming valuable partnerships with a number of organizations from different disciplines to enhance the festival and increase its visibility (Quartier des Spectacles, the Montréal artists collective En Masse, Hexagram, UQAM, Pop Montréal, Artesian Films and others). Interactive installations, music shows, screenings followed by discussion and screenings of short films by emerging filmmakers reach a variety of audiences.

- ▶ **Joint fundraising events/campaigns:** In addition to enjoying greater visibility and resource sharing (in part in communication and event organization), some organizations join forces for fundraising initiatives, either for one effort, often a major campaign (e.g. : École de Danse Contemporaine

de Montréal, GBCM, Tangente and the Agora de la Danse for funding the new building, Espace Danse), or recurrently (e.g. Théâtre Aux Écuries' annual campaign to maintain support, guidance, presentation and promotion initiatives for theatre companies in residence).

- ▶ **Using public leverage:** Administered by CALQ, the Mécénat Placements Culture program was instituted to encourage cultural organizations to develop ways to diversify their revenue and put aside a share of their revenue to ensure their financial stability and autonomy. The program helped develop fundraising expertise and encouraged the commitment of donors to the long-term financial support of cultural organizations.

The incentive comes from tying donations to a grant that can be up to 300% of the net amount of donations received. The program is also more generous with smaller organizations, to increase its impact on their longer term financial autonomy. In 2013, the program was expanded by the Ministère de la Culture et des Communications, and its budget will increase by \$3.5 million by 2015 to \$5.8 million.¹¹ Two new matching options respond to short-, medium- and long-term financial needs. Created in 2005, the Mécénat Placements Culture allowed 265 organizations to raise \$28 million in private donations and generate a total of \$70 million through donation matching.¹² Of these organizations, the Théâtre Aux Écuries received \$450,000 in financial support for renovating their premises. In 2013-2014, Mécénat Placements Culture handed out over \$5 million to various participating organizations such as the Fondation de l'Opéra de Montréal (\$250,000), the GBCM (\$150,000), the Centre du Cinéma Parallèle (\$92,400), the Choeur St-Laurent (\$72,324), the Nouveau Théâtre Expérimental (\$20,908), to name just a few.¹³

As such, in its 2014-2015 budget, the Government of Québec announced the creation of the Fonds Avenir Mécénat Culture to continue funding the Mécénat Placements Culture program. The budget also provides for the annual use of \$5 million in tax revenue from tobacco products to fund the program.¹⁴

The federal government offers a similar matching program through the Canada Cultural Investment Fund.

¹¹ Le Devoir, "Mécénat Placements Culture, version améliorée," October 2, 2013

¹² *Idem*

¹³ CALQ (Annual Report 2013-2014)

¹⁴ Ministère des Finances du Québec (2014-2015 budget). The allocation of tobacco tax revenue to the Fonds Avenir Mécénat Culture was also renewed until 2016-2017 in the 2015-2016 budget of the Government of Québec.

The objective of the program is to contribute to the organizational, administrative and financial health of arts and heritage organizations in three ways: through endowment incentives, through strategic initiatives and through support to endangered arts organizations.

Finally, the CAM offers the Fiscal Sponsorship program, part of its General Financial Assistance Program for arts organizations that want financing for their artistic activities while helping the CAM find the funds. Once these organizations are accepted in the Fiscal Sponsorship program, they become agents of the CAM in its fundraising activities. This is a good way for organizations to attract donations from foundations, companies and individuals and to raise their profile among donors. In 2013 alone, the donations raised as part of the program provided \$463,250 in grants to 31 arts organizations within Montréal.





CONCLUSION AND RECOMMENDATIONS

CONCLUSION AND RECOMMENDATIONS

Even though it is now widely acknowledged that the cultural sector is one of the pillars of the city's economy, the fact remains that the creative heart of the cultural sector is fragile. This is particularly the case in small organizations that have seen their share of private revenue drop.

Larger Montréal cultural organizations have fared better, even increasing their private financing. We all benefit from this, if only from the pride we feel in their performance at home and abroad and their contribution to the city's reputation. These organizations play a role of arts and culture education, presentation, promotion and visibility, one that is essential to maintaining and strengthening the sector. The companies that support them also benefit. They receive valuable visibility and the good will and recognition of an audience of potential customers. It is important to encourage private support to larger organizations and recognize the success of arts-business partnerships. The true challenge lies in putting in place mechanisms and tools to reinforce the financing of the creative heart in smaller organizations, without making larger scale organizations more vulnerable, which need all the support they currently receive.

To sustainably support this structuring sector for the city's economy, **we recommend studying every avenue available to better support smaller organizations, in particular in the early stages of promising, innovative projects. We need to quickly put in place an effective, secure online crowdfunding tool for project financing.**

Since its election in spring 2014, the government brought in a rigorous budget that the Board of Trade supported. While ensuring that everyone does their part to stabilize public finances, the government has nonetheless spared the cultural sector, relatively speaking. **It is important to stay the course and to ensure that the support system for cultural companies and organizations remains well financed. Once public finances have been balanced, we need to review the level of funding for fund-matching programs for culture.** This is one of the

main drivers available to cultural organizations that want to increase their private financing.

As this study clearly demonstrates, the city's cultural organizations are showing increasing momentum and exceptional creativity to pursue new ideas and develop new strategies. These make it possible to expand their audiences, increase their sources of financing and increase their visibility on both the local and international markets. Although the progress made by these organizations may seem slight, it makes an enormous difference for organizations that put in the effort. To promote the implementation of such promising creative initiatives, it is essential to recognize the efforts of these organizations and increase opportunities to **recognize and reward successes.** The Board of Trade would like to acknowledge the important contribution of the Conseil des Arts de Montréal in supporting cultural organizations.

Our collective efforts to support cultural organizations and ensure their continuity must be go on, even be increased. This requires greater involvement among the business community and the community at large. This is why the **Board of Trade will continue its efforts with the business community to make it aware of the importance of culture for the city and its economy, to help make connections between cultural organizations and to support them in their international export efforts.**

A recent example of partnership between culture and the business world was seen during the Montréal@Paris event. In April 2015, the Paris opening of the MMFA exhibition, *The Fashion World of Jean Paul Gaultier*, was the focal point for a one-week trade mission, organized jointly by Tourisme Montréal and the Board of Trade. It was an opportunity to showcase local expertise, particularly of companies in the creative economy. This type of partnership is one of the best examples of synergy that benefits culture and local companies. We need to increase these sorts of efforts in the years to come.



CASE STUDIES

CASE STUDIES

NOTES ON METHODOLOGY

Interviews were conducted with leaders of five organizations to document innovative practices for generating revenue and audience development. The organizations were chosen from a list proposed by the Conseil des Arts de Montréal (CAM) for their unique, successful initiatives. The final selection was made to ensure diversity in terms of the size and discipline of organizations.

The organizations selected are briefly described in the following table:

ORGANIZATION	DISCIPLINE (ACCORDING TO CAM CATEGORIES)	OPERATING BUDGET	YEAR FOUNDED	NUMBER OF PERMANENT EMPLOYEES
McCord Museum	Visual arts	Over \$5 million	1921	51
Festival du Jamais Lu	Festival/theatre	Under \$250,000	2001	2
Les Grands Ballets Canadiens de Montréal	Dance	Over \$5 million	1957	75
Sylvain Émard Danse	Dance	Between \$250,000 and \$500,000	1987	4
Opéra de Montréal	Music	Over \$5 million	1980	16

Detailed case studies of these organizations are included in the appendix. In addition, valuable examples from other organizations, such as the Montreal International Documentary Festival and the Montreal Museum of Fine Arts, were used to illustrate some of the trends identified.

The CAM's categories are fairly inclusive and break organizations down into six major categories: dance, literature, theatre, visual arts, music and festivals. Therefore, while the McCord Museum has more of a historical and heritage mission, it is categorized under visual arts, as are all the other Montréal museums supported by the CAM.

THE MCCORD MUSEUM

Discipline: Visual arts
Size: Over \$5 million
Year founded: 1921
Number of permanent employees: 51
Website: www.mccord-museum.qc.ca

Inaugurated in 1921, the McCord Museum is a major Montréal cultural institution that celebrates life in the city, past and present: its history, its people and its communities. It is an educational social history museum, which preserves over 1,500,000 objects, images and manuscripts that recount the social history and material culture of Montréal, Québec and Canada. Its recent merger with the Stewart Museum and the upcoming move to a new space will be no doubt open the door to many new opportunities.

As part of a strategic planning exercise, the museum has set ambitious development objectives, including developing audiences, attracting a younger audience, gaining greater visibility and modernizing its image, developing own-source revenue, increasing the number of members and generating loyalty among audiences.

To do this, a number of strategies have been implemented, using the following principles:

- ▶ Transcending the walls.
- ▶ Establishing innovative partnerships with other organizations/institutions (content partnerships).
- ▶ Developing innovative offers with private partnerships and sponsorships (visibility partnerships).
- ▶ Building loyalty among audiences and relationships with members.
- ▶ Consolidating the board of directors.

The success of these strategies in recent years is undeniable and its objectives have been attained, including the increase in traffic (visitors to the museum), which grew from 73,000 in 2009-2010 to over 150,000 in 2013-2014. Cash sponsorships more than tripled during the same period, helping increase the proportion of own-source revenue from 23% to 31% of total revenue, and the number of subscribers now exceeds 2,000.

▶ Establishing content partnerships

In addition to the quality of its exhibitions, research activities, conferences and publications, the McCord Museum is known for its cultural and educational activities, many of which are developed in partnership with other organizations, increasing visibility and developing new audiences. These partnerships also promote the museum's rich collection, which includes pictures, textiles, archives, First Nations artefacts and more.

Some of the main partnerships include:

- ▶ the Blue Metropolis Festival: in addition to many collaborations as part of the Festival, the two organizations have developed the Art-Chives program, which gives 120 high school students a chance to explore the museum's archives and develop creations using the theme of the archives.
- ▶ Héritage Montréal: since 2012, Héritage Montréal has been presenting the "Échanges Urbains" conferences in the amphitheatre of the McCord Museum. Developed jointly with the museum, these quarterly conferences address themes related to the city, heritage and urban development.
- ▶ the Montréal First Peoples Festival: a long-standing collaboration between the festival and the museum, regularly presenting exhibitions and performances as part of the event. The museum is also the partner for an annual award.
- ▶ the Mois de la Photo: the museum regularly presents exhibitions as part of Montréal's Mois de la Photo, an international biennial that looks at contemporary photography and its related practices. This initiative is part of the two organizations' missions and the museum's positioning in the field of photography, given its rich photographic archives.
- ▶ The Fashion & Design Festival: a natural partnership given the museum's rich collection of costumes. For example in 2013, the McCord Museum presented a fashion show on the Esplanade of the Place Ville-Marie as part of the exhibition *From Philadelphia to Monaco: Grace Kelly – Beyond the Icon*. The fashion show featured some 20 styles inspired by muse Grace Kelly.

► Transcending the walls

The McCord Museum continues to innovate in how it reaches people and transcends its walls to reach new audiences. These activities provide it a great deal of visibility, building the museum's reputation and supporting audience development. Some of the extramural activities include:

- Every year the McCord Museum delves into its impressive photographic collection to promote the work of Canadian photographers like Harry Sutcliffe and William Notman. Its photo exhibition on McGill College Avenue attracted over 820,000 visitors in 2014. It is sponsored by major partners such as BMO, RioTintoAlcan, Astral Out of Home (Bell Media) and The Gazette.
- Every year, the McCord Museum creates an Urban Forest on Victoria Street, a temporary park in the heart of the city between Sherbrooke Street West and Président-Kennedy Street. A giant glider, picnic tables, piano, musical programming and food trucks are part of it and helped attract around

200,000 people in 2014. Close to 40 young volunteers go out to meet seniors in hospitals. This project is meant to show patients a selection of objects that evoke memories from the collections of the McCord Museum and foster encounters with high school students. This program is carried out in partnership with the CHUM.

► Innovating in the search for donations and sponsorships

According to Suzanne Sauvage, president and chief executive officer, cultural institutions and organizations have to innovate in how they seek out donations and sponsorships to distinguish themselves in a highly saturated market where non-profit organizations are all soliciting the same companies and foundations. To attract new partners, they need to head down new paths, knock on new doors and show more creativity. They have to be extremely proactive and innovative by creating encounters with potential partners, pushing back boundaries and proposing innovative, promising concepts. The recent exhibition *Music – Quebec from Charlebois to Arcade Fire* is a successful example.

THE MCCORD MUSEUM MUSIC EXHIBITION

The exhibition *Music – Quebec from Charlebois to Arcade Fire* was presented by Sony and Radio-Canada, in cooperation with Milk and supported by many other sponsors such as Elle Québec, the Festival de Jazz de Montréal, the Francolies, the Fashion & Design Festival and the Sofitel.

Sony's Canadian head office in Toronto made a particularly innovative and strategic contribution by offering the museum 200 headsets and audio and video equipment, in addition to contributing money. For the company, which is interested in the Montréal market, it was a unique opportunity to demonstrate the new HD audio system and its headsets by allowing visitors to listen to song excerpts on them. With a Sony store nearby, visitors who were interested could acquire new Sony products and store customers could go to the exhibition to try the products. Sony also sponsored a "5 à 9" event at the museum, which 400 guests (mainly young adults) were invited to. The company also held a contest with a complete audio system as the prize. For the museum, it was a unique opportunity to offer audiences a true immersive experience in terms of sound and visual quality and ambiance, in addition to helping upgrade its audiovisual equipment for other exhibitions and events.

For the same exhibition, the partnership with Ici Musique was also very effective. As the main media partner, Ici Musique lent the exhibition and the museum a great deal of visibility, not only on Radio-Canada, but also by hosting live shows with guest artists on site, inviting journalists and influencers to the opening, running a contest for Radio-Canada listeners and opening up Radio-Canada's music archives to mount the exhibition.

The exhibition was complemented by a variety of cultural and educational activities (conferences, workshops and film screenings in keeping with the theme of exhibition), a souvenir booklet and a compilation CD of some of the songs from the exhibition and sale, particularly at the museum store.

The exhibition, which doubled the traffic normally seen in the summer, was successful because it delivered a truly immersive experience that transcended the museum and was exported to a number of sites and the virtual sphere. Sponsor interest was piqued by the innovative concept and the opportunity to interact with the audiences, taking a traditional sponsorship much further.

FESTIVAL DU JAMAIS LU

Discipline: Festival
Size: Less than \$250,000
Year founded: 2001
Number of permanent employees: 2
Website: www.jamaislu.com

Started in 2001, the Festival du Jamais Lu is a 10-day event that presents new works to an audience. It features socially active artists and encourages emerging authors to find their voice. A Québec City edition has existed since 2010.

The Jamais Lu's mission is to create a close connection between the audience and authors. It offers playwrights, particularly emerging ones, original forums focused on activism and celebration. Jamais Lu helps develop the dramatic arts in Québec, Canada and around the world.

Every year, Jamais Lu runs a 10-day festival in Montréal and another three days in Québec City. Directors create theatrical texts that are performed by actors. They present different languages, forms and styles and are driven by a common desire: to explore the world we live in through fiction.

Jamais Lu also helps unique theatre-literary events circulate within Québec, Canada and internationally. These shows are intended to put the author at the centre of social issues.

Specifically, it involves:

- ▶ Some 30 theatre events every year.
- ▶ Around 3,000 spectators annually, most between 18 and 40.
- ▶ Support to over 180 young authors from here and abroad, and over 750 new texts since 2002.
- ▶ Impact on Québec theatre through the staging of 75% of Jamais Lu texts in the years following their public reading.
- ▶ A first step for many recognized theatre authors (Sarah Berthiaume, Simon Boulerice, Sophie Cadieux, Evelyne de la Chenelière, Olivier Choinière, Philippe Ducros, Sébastien David, etc.).
- ▶ The first public performance of major theatrical hits recognized on the national and international scene (Evelyne de la Chenelière's *Bachir Lazar*, Fanny Britt's *Couche avec moi (c'est l'hiver)*,

Philippe Ducros' *L'affiche*, Sarah Berthiaume's *Yukonstyle*, etc.).

- ▶ Introducing young people to playwriting through readings to young audiences, writing workshops for school children and activities with youth from Villeray.

A small organization, the Festival du Jamais Lu faces challenges in terms of financing, resources, governance and visibility. With a very small team (two permanent employees) which is supplemented by freelancers during the event, the Festival shares space and resources to carry out its mission, increase its visibility and impact and therefore achieve its objectives. This resource sharing gives it skilled staff, a presence on the street, rehearsal and performance space and more visibility than if it were operating alone.

The organization has also strengthened its board of directors in recent years. By concentrating on skills and the board of director's network of volunteers, Jamais Lu has doubled its sales in three years.

In addition to fundraising initiatives such as its annual cocktail reception, the Jamais Lu has managed to diversify revenue by implementing a new approach of soliciting micro-donations, offering donors the chance to "buy" words that will be used for the creation of a new work.

The Festival du Jamais Lu also benefits from service sponsorships and exchanges with certain partners, particularly media (e.g., Urbania), as well as local companies and businesses (e.g. George Laoun).

▶ Collaboration and resource sharing

The Festival du Jamais Lu is one of the six founding members of the Théâtre Aux Écuries, a theatre creation centre that offers a range of services, designed to be an incubator for artistic efforts. Founded in 2005, the Théâtre Aux Écuries is home to seven emerging companies that do not have a dedicated performance space. Eight artists and an administrator constitute the Théâtre Aux Écuries. Their goal is to create a place to have regular contact with audiences, ramp up activities and support other artists in the community. To develop Québec theatre, the Théâtre Aux Écuries is trying to support alternative, original practices, with a particular focus on young

artists. The theatre fosters a culture of cooperation and knowledge transfer.

As a member of the Théâtre Aux Écuries, the Festival du Jamais Lu has access to a range of skills and services: rehearsal and performance space (with box office, reception, etc.), office space, shared resources and more. Sharing of human resources takes two forms:

- ▶ Managers of member organizations also hold positions at the Théâtre Aux Écuries (e.g.: the general manager of the Festival du Jamais Lu is also artistic director at the Théâtre Aux Écuries and the Théâtre les Porteuses d'Aromates).
- ▶ Sharing of professional resources, such as for communication and accounting. Organizations buy a bank of hours for shared resources that can be used throughout the year.

The Jamais Lu pays rent to the Théâtre Aux Écuries for the use of office space. It also pays for renting rehearsal and performance space for shows.

Finally, in addition to their individual fundraising initiatives, Théâtre Aux Écuries member organizations collaborate on joint fundraising campaigns to maintain support, guidance, performance and promotion efforts for theatre companies in residence.

In addition to being a member of the Théâtre Aux Écuries, the Festival du Jamais Lu enjoys a leverage effect by carrying out **joint creative and presentation initiatives** with other producers

and presenters in Montréal and elsewhere. As an example, the festival collaborated on three coproductions in which each of the parties had a financial stake in creating works (e.g. with the Théâtre du Trident in Québec City and the National Arts Centre in Ottawa). Other collaborative initiatives take the form of presentation (e.g. the Théâtre d'Aujourd'hui lent the festival its room for presenting *Abécédaire des mots en perte de sens*).

▶ Strengthening the board of directors

For the past few years, the Festival du Jamais Lu has focused on its board of directors and recently created a finance committee that concentrates on seeking funding. In 2013, to strengthen its board of directors, the festival used the services of Go-C.A. to recruit three new members. Having these new members from the business community helped advance the organization, in particular in terms of financing.

Go-C.A. is a pairing program created by the CAM to provide boards of directors of arts organizations new members. Through a speed networking evening, young professionals and organizations establish an order of preference, after which matches are confirmed. The objective is to systematically add three or four members to boards of directors from partner companies for the project, that is Ernst & Young, McCarthy Tétrault and Scotiabank. When possible, experts from the world of communications also contribute to the initiative.

LES GRANDS BALLETS CANADIENS DE MONTRÉAL

Discipline: Dance
Size: Over \$5 million
Year founded: 1957
Number of permanent employees: 75
Website: www.grandsballets.com

Since 1957, the Grands Ballets Canadiens de Montréal (GBCM) has been introducing dance to local and international audiences. Having first won over audiences by presenting a repertoire of classics, the GBCM has since drawn on the creative talent of Québec, Canadian and international choreographers to take dance lovers into new artistic territories.

Now under the direction of Gradimir Pankov, the GBCM reflects trends in classical and contemporary ballet by presenting its own creations and repertory pieces. Mr. Pankov took the GBCM to new younger audiences by presenting ballets that tell stories people are more familiar with (e.g.: *Carmen*, *Romeo and Juliet*, *Rodin/Claudel*, *Le Petit Prince*, etc.), making them more accessible.

A true leader in dance, the organization takes a more holistic view of the discipline to ensure it makes a contribution to society. According to Alain Dancyger, executive director of the GBCM, a shift has been occurring in the past seven or eight years. He believes that cultural organizations will no longer focus solely on their art and will be more socially involved. To date, few organizations have managed to bring together these two parts of their mission, and the GBCM wants to show how dance can contribute to social well-being. This commitment is embodied in a range of strategies to create stronger ties with audiences as well as with the business world, the education sector and even the health care sector. This desire to move beyond the traditional framework of dance allows the GBCM to increase its visibility, create new partnerships, build audience loyalty and diversify sources of financing.

Recently, the GBCM announced its move, planned for summer 2016, to the future **Espace Danse Québec**. Located in the heart of the Quartier des Spectacles, the new location will provide the organization better facilities, increase its visibility and build on Montréal's reputation in the world of dance. Bringing together players from professional

dance (Agora de la Danse, Tangente – Laboratory for Contemporary Movements and the École de Danse Contemporaine de Montréal), the GBCM used its leadership to rally institutions and organizations around the project and is still working to complete the financing.

Espace Danse Québec will also be home to the **National Centre for Dance Therapy**. Created in 2013, the centre became the first initiative in the world to combine therapy through dance and movement, clinical research and the development of a university program in dance therapy. Combining dance and health, the project is an opportunity for partnerships with universities (Concordia University, Université de Montréal) and health institutions (CHU Sainte-Justine, Centre Hospitalier de l'Université de Montréal, Institut Universitaire en Gériatrie de Montréal, the Ministère de la Santé et des Services Sociaux). This recent involvement in health and the centre's national scope creates a new opportunity for the GBCM to expand its network of donors outside Québec, diversify its sources of financing and strengthen ties with existing donors by having a broader impact on society. Furthermore, the National Centre for Dance Therapy will be replicated in a number of countries, including the Netherlands.

So to finance its activities and increase its social footprint, the GBCM has implemented new strategies to diversify sources of financing and consolidate ties with existing donors. The next section describes a few of the more innovative initiatives.

► Cultural ambassador abroad

The GBCM exports its creations. Reciprocity agreements exist with a number of dance companies abroad, allowing its shows to travel around the world. Artistically speaking, these tours foster exchanges and consolidate business ties between partners, in addition to being an opportunity to promote the GBCM's initiatives. For example, as part of a reciprocity agreement, the GBCM presented a number of shows in Texas and hosted the Houston Ballet in Montréal. The two institutions also offer master classes for dance students as part of these agreements.

The GBCM also takes advantage of its international tours to invite donors, patrons, diplomats and other personalities from Québec to private receptions in other parts of the world. Actors from the business community or politics can use them to strengthen ties with foreign partners while promoting Québec culture and Montréal's image as a cultural city. In recent years, the GBCM organized events in Tel Aviv, Cairo, Beijing... The GBCM also takes advantage of these international opportunities to expand its network of donors and sponsors, while positioning the company as a dynamic player in consolidating ties between Québec/Canada and the other countries.

► Sponsoring an artistic creation

The GBCM, like other cultural organizations, has to differentiate itself for fundraising in an already highly saturated market. The institution innovated by developing a program to sell minutes of creation, a contribution program that gives donors a chance to become "shareholders" in a work by buying a minute of creation for \$1,000. In addition to having the donor's name appear in the program for the show, donors also have the unique opportunity to discover the creative process by attending a rehearsal, making the donation more tangible and offering donors a chance to interact with the artists. To date, this initiative has been a big success and all minutes were sold. For instance, over \$84,000 was raised for Stijn Celis' *Transfigured Night*.

The success of this innovative approach also attracts donors of all types. Minutes of creation donors include large corporations, small businesses and individuals.

► Nutcracker Market

Created in 2010, the Nutcracker Market is a philanthropic Christmas market sponsored by TD Bank. It grew out of the desire to diversify and consolidate sources of financing for the Nutcracker Fund for Children. For 12 days, some 80 exhibitors assemble under one roof at the Palais des Congrès de Montréal to offer fashion, food, home decor, toys and more. Participants are selected by the GBCM for quality, diversity and the originality of their products.

When consumers shop at the market they are supporting a good cause, because 10% of exhibitors' sales and all GBCM revenues from the Nutcracker Market go to the Nutcracker Fund for Children. In 2013, \$90,000 was raised for the fund which collects donations annually to give 2,800 disadvantaged children in Montréal a chance to take part in educational workshops and attend a performance. To date, close to 25,000 children have benefitted from the program.

Since it was created, the market has grown in popularity, and traffic has increased from 12,000 visitors in 2010 to 68,000 in 2014. Plus 75% of the clientele has never attended a GBCM show, which offers the company promising growth potential. While contributing to the GBCM's social mission, the market is also a way of strengthening the Nutcracker brand and increasing the GBCM's visibility with new audiences.

SYLVAIN ÉMARD DANSE

Discipline: Dance
Size: Between \$250,000 and \$500,000
Year founded: 1987
Number of permanent employees: 4
Website: www.sylvainemard.com

For the past 25 years, Sylvain Émard Danse has been creating, producing and presenting original contemporary dance works on the local and international scene. The recipient of many prestigious awards, Sylvain Émard Danse's repertoire has over 30 original works exploring human nature through energetic, fluid gestures. Its work crosses genres and draws on collaborations in a number of disciplines (e.g.: cinema, opera, theatre and visual arts).

The year 2008 was a turning point for the organization when CALQ cut back on its funding. This encouraged the company to take another look at its administrative structure and mobilize its team to focus more on developing and diversifying sources of revenue. To do this, a number of strategic initiatives were used, such as:

- ▶ a review of the organizational structure, creating general/development codirection and a communications manager.
- ▶ broadening and diversifying the composition of the board of directors.

In 2009, the first edition of *Grand Continental*TM was performed as part of the Festival TransAmériques (FTA) in a joint presentation with the Quartier des Spectacles. The piece, which combines line dancing and contemporary dance, features some 60 amateur dancers of all ages and origins, guided by a handful of professional dancers. The concept has been a big hit and was repeated in Montréal twice at the FTA: the *Très Grand Continental* (2010) and *Le Continental XL* (2011), featured 125 and 210 amateur dancers respectively. In 2013, Sylvain Émard also designed a Grand Continental for the Parkinson's Dance Project association. Some 40 people suffering from the disease stepped lively as part of this entertaining show, during the World Parkinson Congress.

The success of strategies and of *Le Grand Continental*TM is undeniable: Sylvain Émard Danse now generates 40% of own-source revenue, including donations and sponsorships. Some of the main

initiatives that helped Sylvain Émard Danse grow and distinguish itself include:

▶ Exporting the format

With the enthusiasm generated by *Le Grand Continental*TM experience in Québec, the show was performed in Mexico, New York, Philadelphia, Portland (Oregon), Ottawa, Boston and Vancouver. To date, the original concept has featured over 1,000 dancers and reached some 75,000 spectators across North America. To protect its intellectual property (*Le Grand Continental*TM is a registered trademark) and the show's integrity, Sylvain Émard Danse assigns rights to partners for presenting the concept, but requires that the format be respected and staging be supervised locally by Sylvain Émard himself or by an accredited rehearsal coach. The organization then receives a guaranteed fee. Plus, the host presenter handles the costs of producing and presenting the show as well as travel and accommodation costs for the choreographer and/or the rehearsal coach. The company then invests the net revenue in creating other works.

One further benefit is that exporting *Le Grand Continental*TM also generated greater visibility for the organization, thanks to press coverage of the shows around the world. This increased visibility is reflected in attendance for other Sylvain Émard Danse shows.

▶ Participation of business people

The choreography for *Le Grand Continental*TM was a theme for the company's three benefit evenings. Its most recent edition, entitled *El Gran Continental* (2013), raised \$40,000 net for the organization. The evening's success is in large part due to some 30 artists and business people participating who have performed a Latin American version of the show.

The event was co-chaired by actress Danielle Proulx and business personality Oscar Ramirez, a partner at the architecture firm Cardin Ramirez Julien. This collaboration made it possible to reach an extended network of donors. The formula is simple: every dancer and business personality commits to selling at least 10 tickets for the benefit show. The Grand Continental benefit evening will be repeated for the

organization's 25th anniversary in November 2015. For this new edition, the company is offering companies a chance to sponsor a section of choreography (the show is made up of five sections), and its employees are invited to take part in the choreography as a whole or in part.

► Expertise exchanges

Sylvain Émard Danse is one of nine independent dance companies located in the Édifice Jean-Pierre-Perreault, Circuit-Est Centre Chorégraphique. Circuit-Est supports dance professionals in their technical and artistic development by offering space and services for research, creation, development and rejuvenation in contemporary dance, and by getting involved in the community. In addition to sharing physical resources (creation and rehearsal studios), which is a cost savings for members of the group, it is a chance to share knowledge and expertise, a place to emulate other artists and promote exchanges and collaborative projects to help develop and promote contemporary dance. These collaborations also increase the visibility of member companies and offer activities for dance professionals, including master classes, workshops, mentorship programs, residencies, international exchange projects and awareness-raising activities.

► Service sponsorships

Maya Daoud, co-general/development manager at Sylvain Émard Danse, also points to the importance of service sponsorships. In fact, when service sponsorships offer cost savings, they are like cash sponsorships and contribute directly to the organization's profitability. For example, efforts to register the *Grand Continental* brand were provided pro bono by a law firm, through the company's chair of the board. This type of partnership provides Sylvain Émard Danse real savings. Service exchanges will be very important for its 25th anniversary gala.

In the past few years, Sylvain Émard Danse has made a very promising move, that, thanks to the resounding success of *Le Grand Continental*TM, delivers major benefits on the local, Canadian and international scene. The organization has other initiatives to strengthen its positioning and increase own-source revenue. These include choreographic commissions, television and film work and training workshops for students in dance.

The organization is also currently working with Circuit-Est and its members to create a new model of resource sharing, in the form of a production cell that will offer production and technical direction services to member companies and then to the community.

OPÉRA DE MONTRÉAL

Discipline: Music
Size: Over \$5 million
Year founded: 1980
Number of permanent employees: 16
Website: www.operademontreal.com

Created in 1980 at the initiative of the Ministère des Affaires Culturelles du Québec (today the Ministère de la Culture et des Communications), the Opéra de Montréal, which sets out to democratize the lyrical art to its audience, contributes to the cultural vitality of Greater Montréal. The opera has been running for 35 seasons, with over 1,000 performances, presenting 95 operas and two original creations. Off-stage, its productions have also reached more than two million television viewers and TV and radio listeners. The opera contributes to the economic vitality of Québec by hiring over 800 artists and artisans, along with 360 local businesses.

Beyond its economic and cultural contribution, the opera is also involved in social development through community and educational activities that have an impact on several thousand young people and adults every year. These initiatives are in addition to the Atelier Lyrique which, since 1984, has promoted the development and training of young artists by offering young Canadian performers development and professional activities providing an introduction to professions in the opera. Since its foundation, the Atelier Lyrique has hosted 175 young Canadian artists, many of whom have gone on to national and international careers on the stage.

As part of its strategic plan, the Opéra de Montréal has four major priorities that guide its development:

1. Develop audiences, particularly young ones
2. "Act locally, flourish globally"
3. Diversify sources of revenue
4. Consolidate governance

In line with this strategy, in recent years, the opera has introduced a number of initiatives that have had results in terms of audience, reputation and own-source revenue. The Opéra de Montréal's revenue is now 65% own source (aside from public funds), over 40% of which is box-office revenue. This is substantial when compared with other major operas around the world and other major Québec institutions.

Opera spectators are traditionally aged 50 and over, so it is essential for a dynamic organization to focus on attracting younger people to expand its potential audience and ensure it is renewed and grows. Furthermore, since the local market is limited in size, growth requires the development of foreign markets. Finally, given limits on public financing, it is essential for cultural organizations to try to increase own-source revenue.

► Attracting a younger audience

There have been a number of initiatives to lower the average age of spectators and introduce young people to opera, developing audiences of the future. These initiatives are targeted at different age groups:

- To introduce young children to opera, students age 10 to 11 are invited to matinee performances for school groups. Furthermore, the CoOpera program gets students in grades 5 and 6 from four primary schools to rewrite and design a musical show, with supervision from an Opéra de Montréal team.
- Another youth initiative, student dress rehearsals allow young people age 12 to 17 to watch dress rehearsals. This initiative has been a big success.
- To reach people age 18 to 30, particularly post-secondary students, reduced rates were introduced (\$60 for two shows). Furthermore, a "campus ambassador" network was created to recruit students from four Montréal universities, whose role is to raise awareness about and promote subscriptions among students age 18 and 30.

All these initiatives have made a major contribution to attracting a younger clientele, and the Opéra de Montréal audience is now 30% young people under 30.

► Export and promotion of creations

It is very expensive to design and produce a major opera, and there are few local performances (e.g.: the opera *Samson and Delilah* ran only four evenings in Montréal), the shows designed by the Opéra de Montréal benefit both in terms of revenue and visibility from being "exported" to other markets in North America, Europe and even Asia. More than a simple

rental, the Opéra exports not only its costumes, sets and other key components of the staging (e.g.: projection elements), but also the main creators of the work to ensure the integrity of the creation when presented in other venues around the world. This is still a form of monetizing intellectual property for royalty revenue, an avenue to explore further in the future. While export revenue fluctuates significantly one year to the next based on demand, it can be considerable, as much as \$300,000 annually.

► Provide donors and sponsors an experience

Diversifying the opera's revenue requires increasing the number of donors and sponsorships, both for its shows and its cultural and educational activities. In order to innovate and get new donors and partners interested, the Opéra de Montréal offers a variety of events for companies of all sizes and business people.

- **Corporate subscriptions:** a package created two years ago intended for large companies and small businesses, offering 10 tickets for a show during the season at a cost of \$1,500. An objective of 200 corporate subscriptions was set.
- **VIP evenings:** in addition to production and season sponsorships, the opera offers evening event sponsorships in the form of a unique experience: exclusive evenings for small groups are offered for \$5,000. They start with a meal in the costume workshop prepared by chefs from the restaurant Toqué! and continue with a performance of the show in the comfort of a box.
- **Custom corporate events:** the opera also offers companies the chance to invite 250 people as part of a private event that includes a cocktail reception in the set of the current production. The opera can also organize private concerts through its Atelier Lyrique.

A FEW ADDITIONAL CASES...

THE MONTREAL MUSEUM OF FINE ARTS: CREATOR AND EXPORTER OF INNOVATIVE CONCEPTS

Discipline: Visual arts
Size: Over \$5 million
Year founded: 1860
Number of permanent employees: 155
Website: www.mbam.qc.ca

The Montreal Museum of Fine Arts is the most popular art museum in Canada with over one million visitors annually, a large proportion of them tourists. The number of visitors grew 100% in five years, and the number of members broke the 98,000 mark, a Canadian record. Well established in Montréal through its multidisciplinary mission that makes it a cultural driver in the community, the museum's influence extends well beyond the city.

The Montreal Museum of Fine Arts is among the major institutions that develop, produce and present major exhibitions around the world, and the values of excellence and innovation associated with the museum's brand that are evidenced in its exhibitions are reason for exporting its know-how through major international tours both in Europe and North America. Thanks to upstream partnerships with major museums, the museum designs exhibitions that reflect its expertise and ambition. Its partnerships in recent years include:

- ▶ Scotland's National Galleries (Peter Doig)
- ▶ New York's Whitney Museum (Feininger)
- ▶ Monaco's Nouveau Musée National and Barcelona's Museu Picasso (Van Dongen)
- ▶ New York's Neue Gallerie (Otto Dix)
- ▶ San Francisco's Fine Arts Museum (Yves Saint-Laurent)
- ▶ The Musée d'Orsay and the Museo d'Arte Moderna e Contemporanea di Trento e Rovereto (Maurice Denis)

The museum increasingly plays the role of producer at all stages of the value chain for exhibitions that it presents: from initial concept to presentation, by assuming (alone or in partnership) all roles and risks related to producing major international exhibitions.

This type of approach generates many cultural, economic and visibility benefits. The museum's exhibitions set it apart for its originality and the quality of content, attracting many visitors from Montréal and abroad and generating new foreign own-source revenue from the ownership of exhibition rights. Plus, tours in major international cities consolidate the museum's brand image while providing exposure for local talent, in line with Montréal's positioning as a creative city.

The best example is no doubt the exhibition Jean Paul Gaultier's Haute Couture Creations produced by the museum: a veritable phenomenon that has already attracted over one million visitors in a historic international tour, this exhibition initiated, produced and toured by the Montreal Museum of Fine Arts with the cooperation of the Maison Jean Paul Gaultier will be presented in the Galeries Nationales du Grand Palais in Paris from April 1 to August 3, 2015, a tenth venue after Montréal, Dallas, San Francisco, Madrid, Rotterdam, Stockholm, Brooklyn, London and Melbourne.

THE RIDM YEAR-ROUND

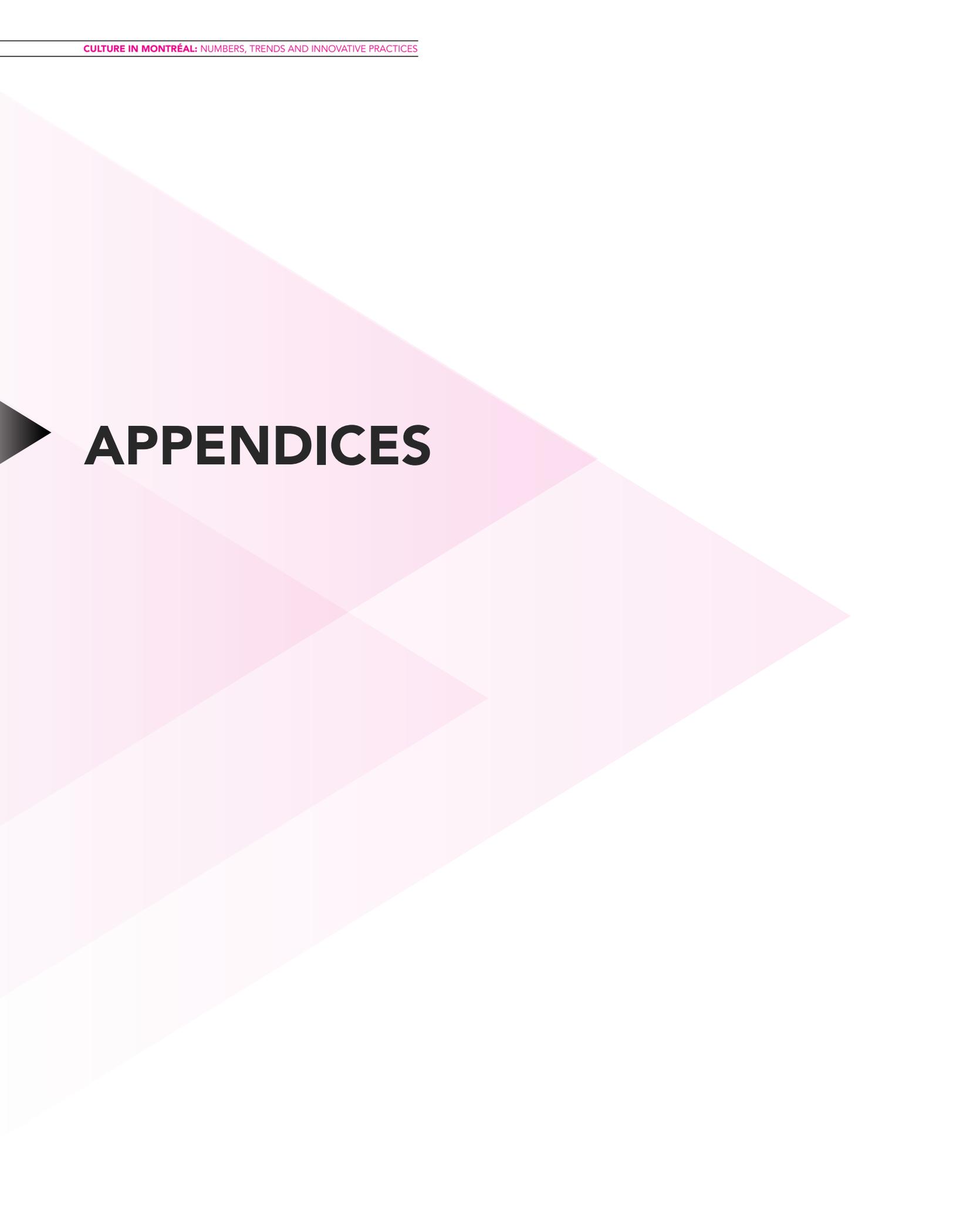
Discipline: Visual arts
Size: Between \$1 million and \$5 million
Year founded: 1998
Number of permanent employees: 5
Website: www.ridm.qc.ca

Founded in 1998, the Montreal International Documentary Festival (RIDM) annually screens a selection of memorable documentaries from home and further afield. These documentaries present a variety of views on social, political and environmental themes. In 2014, the festival presented some 140 documentaries from November 12 to 23.

Since 2010, under the guidance of its new executive director Roxanne Sayegh, the festival has ramped up. The organization, which has five employees (two of them part time), is increasing the number of projects to complement its mission year-round to reach an expanded audience and increase the organization's visibility. These activities are in addition to the regular festival programming in November and Doc Circuit. These include:

- ▶ **Docville:** The last Thursday of the month, Docville presents internationally acclaimed documentaries. Based on the success of this initiative, the RIDM also repeats the experience the second Wednesday of every month in Québec City.
- ▶ **Outdoors:** The RIDM extends its presence throughout Montréal with its outdoor screenings in different locations and parks throughout the summer.
- ▶ **In companies:** The organization brings documentaries to companies to stimulate discussion about a film or a topic that reflects the company's issues or furthers employee knowledge.
- ▶ **In schools:** During the school year, the RIDM goes into schools to introduce young audiences to auteur documentaries. These encounters give young people the chance to hone their critical eye by thinking and talking about current topics. In 2013, the pilot project **Doc 2.0** Junior gave a group of students the chance to make their own web documentary under the guidance of a team of professionals.
- ▶ **In detention centres:** Since 2010, the RIDM has been screening films in detention centres. Screenings are accompanied by discussions with directors, writing workshops and more.
- ▶ **Doc Circuit Montréal:** Alongside regular festival programming, this networking platforms provides a venue for business meetings through intensive professional workshops, conferences and round tables between industry players.

RIDM programming is also extended by increasing the number of films screened and collaboration with other arts communities (visual arts, music festivals, etc.). These partnerships make the organization more inclusive and attract fans from the other arts. During the latest edition of the festival, the RIDM formed partnerships with cultural and academic organizations, such as the Pop Montréal music festival, the Society for Arts and Technology, the Centre de Recherche en Arts Médiatiques, Hexagram, McGill University, the Université du Québec à Montréal, the Université de Montréal and others.



APPENDICES

APPENDIX 1: LIST OF ORGANIZATIONS

ORGANIZATION	SECTOR	CONTACT
Festival du Jamais Lu	Festival	Marcelle Dubois, artistic and general direction
Grands Ballets Canadiens de Montréal	Dance	Alain Dancyger, executive director Christine Krebs, director, finance and administrative
McCord Museum	Visual arts	Suzanne Sauvage, president and chief executive officer Pascale Grignon, director, marketing and communications
Opéra de Montréal	Music	Pierre Dufour, executive director
Montreal International Documentary Festival (RIDM)	Visual arts	Jérémy Verain, interim director and director of administration and production
Sylvain Émard Danse	Dance	Maya Daoud, co-general director/development

APPENDIX 2: DEFINITIONS AND STATISTICS CANADA SUBSECTORS

CHANGES MADE TO THE PARAMETERS OF THE CULTURAL SECTOR

Cultural subsectors and changes from the 2009 study¹⁵

SUBSECTORS INCLUDED WITHIN THE STUDY PARAMETERS	CHANGE IN THE DEFINITIONS OF SECTORS
7114 – Agents and managers for artists, athletes, entertainers and other public figures	No change
7115 – Independent artists, writers and performers	No change
5191 – Other information services*	Now includes Internet publishing and broadcasting
7111 – Performing arts companies	No change
5111 – Newspaper, periodical, book and directory publishers	No change
5191 – Internet publishing and broadcasting	Grouped under the category Other information services
7121 – Heritage institutions	No change
5122 – Sound recording industries	No change
5121 – Motion picture and video industries	No change
511212 and 541515 - Interactive games	No change
4512 – Book, periodical and music stores	No change
7113 – Promoters of performing arts, sports and similar events	No change
5151 – Radio and television broadcasting	Grouped under the category Radio and television broadcasting (NCAIS 515)
5414 – Specialized design services	No change
5152 – Pay and specialty television	Grouped under the category Radio and television broadcasting (NCAIS 515)

SUBSECTORS EXCLUDED FROM THE STUDY PARAMETERS	CHANGE IN THE STUDY PARAMETERS
5171 – Cable and other program distribution industry	This category is now grouped under Wireline telecommunications by Statistics Canada. It includes a number of jobs not related to the cultural sector.
54131 – Architects and landscape architects	This category has more of a creative than a cultural connotation.
54181 – Advertising and related services	This category has more of a creative than a cultural connotation.
5174 – Satellite telecommunications	This category is very broad and includes a number of jobs not related to the cultural sector.

Source: KPMG-SECOR analysis

*Note: The main components of the group Other information services are news agencies, libraries, archives, online publishing and dissemination portals as well as online research services and other research services.

CULTURAL SUBSECTORS (NAICS CODE)	DEFINITION
4512 - Book, periodical and music stores	This industry group comprises establishments primarily engaged in retailing new books, newspapers, magazines, and audio and video recordings.
5111 - Newspaper, periodical, book and directory publishers	This industry group comprises establishments primarily engaged in publishing (or publishing and printing) newspapers, periodicals, books, maps, directories, databases and other works, such as calendars, catalogues and greeting cards.
5121 - Motion picture and video industries	This industry group comprises establishments primarily engaged in producing, or producing and distributing motion pictures, videos, television programs or commercials as well as the presentation of films or the delivery of postproduction and related services.

¹⁵ The Board of Trade of Metropolitan Montreal, *Culture in Montréal: Economic Impacts and Private Funding*, 2009

CULTURAL SUBSECTORS (NAICS CODE)	DEFINITION
5122 - Sound recording industries	This industry group comprises establishments primarily engaged in producing and distributing music recordings, publishing music, or providing sound recording and related services.
5151 - Radio and television broadcasting	This industry group comprises establishments primarily engaged in operating broadcasting studios and facilities for the transmission of a variety of radio and television broadcasts, including entertainment, news, talk shows and other programs. These establishments produce, purchase and schedule programs and generate revenues from the sale of air time to advertisers, from donations and subsidies, or from the sale of programs.
5152 - Pay and specialty television	This industry group comprises establishments primarily engaged in broadcasting television programs, in a defined and limited format, through cable system or satellite communication operators. The programming is delivered to subscribers by operators of cable or satellite distribution systems.
5191 - Other information services	This industry group comprises establishments, not classified to any other industry, primarily engaged in providing other information services. The main components are news syndicates, libraries and archives, Internet publishing and broadcasting and web search portals, and other information search services on a contract basis.
5414 - Specialized design services	This industry group comprises establishments primarily engaged in providing specialized design services, except architectural, engineering and computer systems design.
7111 - Performing arts companies	This industry group comprises establishments primarily engaged in producing live presentations that involve the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists. Examples of establishments in this industry group are theatre companies, dance companies, musical groups and artists, circuses and ice-skating shows.
7113 - Agents and managers for artists, athletes, entertainers and other public figures	This industry group comprises establishments primarily engaged in organizing and promoting performance arts, productions, sports events and similar events, such as festivals. Establishments in this industry group may operate arenas, stadiums, theatres or other related facilities, or they may present these events in facilities operated by others.
7114 - Agents et représentants d'artistes, d'athlètes et d'autres personnalités publiques	This industry group comprises establishments primarily engaged in representing or managing creative and performing artists, sports figures, entertainers, and celebrities. These establishments represent their clients in contract negotiations, manage or organize the client's financial affairs, and generally promote the careers of their clients.
7115 - Independent artists, writers and performers	This industry group comprises independent individuals (free-lance) primarily engaged in performing in artistic productions, creating artistic and cultural works or productions, or providing technical expertise necessary for these productions. Independent celebrities, such as athletes, engaging in endorsement, speaking and similar services, are included.
7121 - Heritage institutions	This industry group comprises establishments primarily engaged in preserving and exhibiting objects, sites and natural wonders of historical, cultural and educational value.
511212 and 541515 - Interactive games*	<p>511212 This industry group comprises establishments primarily engaged in publishing video games. These establishments carry out the operations required to produce and distribute video games such as the design of video games, providing documentation, the delivery of support services to buyers of video games. They can design and publish or solely publish.</p> <p>541515 This industry group comprises establishments primarily engaged in designing and developing video games through one or more activities, without publishing them. Establishments that custom design video games for a customer are also included.</p>

Source: Statistics Canada – Definitions, data sources and methods (except for the interactive game subsector)

Note: *For interactive games, the following study was used to define the subsector: KPMG-SECOR. for the Alliance Numérique, "L'industrie du jeu vidéo: Un moteur économique pour le Québec," 2014 (the interactive game sector is only available with six-digit NAICS codes, so the data is not available for the CMA of Montréal).

APPENDIX 3: SOURCES OF FINANCING FOR ARTS ORGANIZATIONS SUPPORTED BY THE CAM

FUNDING OF ARTS ORGANIZATIONS SUPPORTED BY THE CAM

2013, in %, according to discipline and size

ANNUAL BUDGET (IN THOUSANDS OF \$)	TYPE OF FUNDING	VISUAL ARTS (INCLUDING MUSEUMS)	MUSIC	THEATRE	LITERATURE	DANCE	FESTIVALS	ALL	N
0-250	Own-source financing		32%	21%	22%	30%	18%	21%	101
	Donations and sponsorships	12%	18%	8%	4%	3%	25%	12%	
	Public financing	80%	49%	71%	74%	68%	57%	67%	
250-500	Own-source financing		31%	21%	24%	30%	22%	25%	63
	Donations and sponsorships	19%	20%	10%	24%	3%	26%	15%	
	Public financing	58%	49%	69%	51%	67%	51%	60%	
500-1000	Own-source financing		18%	32%	30%	32%	13%	28%	47
	Donations and sponsorships	8%	32%	7%	8%	4%	36%	14%	
	Public financing	58%	50%	61%	62%	65%	51%	58%	
1000-5000	Own-source financing		33%	54%	-	37%	24%	40%	36
	Donations and sponsorships	16%	24%	14%	-	9%	41%	20%	
	Public financing	47%	43%	32%	-	54%	35%	39%	
5000+	Own-source financing		37%	40%	-	46%	-	37%	8
	Donations and sponsorships	44%	22%	29%	-	26%	-	29%	
	Public financing	27%	42%	31%	-	28%	-	34%	
all	Own-source financing		33%	44%	26%	39%	21%	35%	255
	Donations and sponsorships	26%	23%	17%	10%	13%	38%	22%	
	Public financing	43%	44%	39%	64%	48%	41%	43%	
	N	46	53	59	30	37	30	255	

Source: Conseil des Arts de Montréal

Note: Donations and orders include the value of service sponsorships. Own-source revenue includes box office, subscription, rental revenue, revenue from stores, restaurants, etc.



**CHAMBRE DE COMMERCE
DU MONTRÉAL MÉTROPOLITAIN**

BOARD OF TRADE OF METROPOLITAN MONTREAL

