



**Written Submission for the Pre-Budget  
Consultations in Advance of the Upcoming  
Federal Budget**

**By Ontario Association of Art Galleries (OAAG) |  
Association ontarienne des galeries d'art (AOGA)**

**August 2020**

Recommendation 1:

**That the government provide subsidies for reopening costs**

Recommendation 2:

**That the government establish a Digital Assets Fund**

Recommendation 3:

**That the government provide a Basic Income Guarantee for all Canadians**

Recommendation 4:

**That the government extend and adapt CEWS**

## About OAAG/AOGA

This year marks the 50th anniversary of the Ontario Association of Art Galleries (OAAG/AOGA). It is the only association of its kind in Canada that represents public art galleries, serving them through advocacy, network building, and professional development. We have over 270 members from different regions, scales and sectors. The Art Gallery of Ontario, National Gallery of Canada, McMichael Canadian Art Collection, and the Art Gallery of Hamilton are some of our larger member institutions. However, the majority of our membership is diverse small-to-medium scale art galleries with operating budgets of under \$2M (84% of our membership), including important regional galleries such as Woodland Cultural Centre, Thunder Bay Art Gallery, Agnes Etherington Art Centre, and Kitchener-Waterloo Art Gallery. In total, 63 Ontario communities are represented in our membership.

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## Executive Summary

Public art galleries and art museums are the backbone of communities across Canada and integral part of Canada's visual arts sector. From the National Gallery of Canada in the nation's capital to small, regional galleries on both coasts and in the North, art galleries are able to bring communities together.

Art galleries and the visual arts sector also play an integral role in Canada's economy. They are part of the arts and culture industry, which represents **\$53 billion or approximately 2.7 percent** of the nation's GDP.<sup>1</sup> The sector employs approximately **700,000 cultural workers or 3.5 percent** of the nation's labour force.<sup>2</sup> Notably, within our sector, **for every dollar invested** in non-profit art galleries, there is a social **return of \$4**.<sup>3</sup> The important compounding economic effect of investment in our sector is substantial.

The COVID-19 crisis has compelled us to closely examine the underlying conditions for the healthy recovery and re-emergence of the sector. Prior to the pandemic, art galleries and museums were already in a precarious position with razor thin margins. The **average working capital ratio for public art galleries is less than 1%** over the last four years, ranging between 0.84% to 0.95%.<sup>4</sup> A ratio of less than 1% indicates financial vulnerability regarding an organization's capacity to cover its short-term payables. This baseline reality is alarming.

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<sup>1</sup> "[Provincial and Territorial Culture Indicators, 2017](#)," Statistics Canada, 25 April 2019.

<sup>2</sup> "[Artists in Canada's Provinces and Territories in 2016](#)," Hill Strategies, 27 November 2019.

<sup>3</sup> "[Value Study of GLAMs in Canada](#)," Oxford Economics and Ottawa Declaration Working Group, December 2019.

<sup>4</sup> "[Understanding Canadian Arts Through CADAC Data: A Portrait of 77 Art Museums and Public Art Galleries](#)," Canada Council for the Arts, 20 March 2015.

Moreover, within our Ontario-based membership, 26% of galleries operate on an annual budget of less than \$300,000. These small galleries, mainly found in rural regions, are the most vulnerable and need assistance during this time to ensure that they are able to reopen and sustain operation. If not, there will be a crippling effect on the art galleries and communities across Canada.

The pandemic has destabilized the sector in unprecedented ways and endangered the future existence of galleries and museums in their communities. In OAAG/AOGA's early COVID-19 impact survey with response from 60% of our membership, data indicates the devastating consequences and amplification of the crisis already felt by art galleries.<sup>5</sup> It showed a conservative **total loss of up to \$13 million** in Ontario art gallery revenues in the months following mandated closure in March.<sup>6</sup> In another study conducted by the International Council of Museums (ICOM), **1 out of every 10 museums, including art galleries, are likely to close** in North America due to COVID-19.<sup>7</sup> These statistics directly translate to diminished access to vital services that communities rely on to thrive culturally and socially. Hence, the above underlying conditions of the art gallery sector indicate a vulnerability, making it fatally prone to the impact of this pandemic.

When an art gallery closes, all the businesses associated with it are impacted including services such as art transportation and logistics, cleaning, restaurants, hospitality, entertainment, audio visual, construction, printing, manufacturing, and many others. The government mandate to close under COVID-19 measures has had a devastating effect on this sector and its contributions to the larger economy, not to mention the larger social impacts felt by Canadians.

Prior to COVID-19, **11.5 million Canadians** visited an art gallery or art museum every year.<sup>8</sup> However, in a recent study by Business for the Arts, **less than a third of those** individuals are likely to immediately return to an art gallery even though deemed safe by health regulations, with many others choosing to wait longer for a vaccine before they will return.<sup>9</sup> Even as restrictions continue to lift and galleries are allowed to reopen their doors to the public, they are doing so at such limited capacities for everyone's safety. Many are continuing to struggle to regain earned revenue lost due to cancellation of paid educational programming, venue rentals, and other fundraising events.

Although Federal emergency relief funding, including Canada Emergency Response Benefit (CERB) and Canadian Emergency Wage Subsidy (CEWS), has benefited institutions, arts workers, and artists for the short-term, a Canadian Arts Coalition survey in June 2020 found that 85% of respondents saw gaps in the current available funding streams, with a further 69% of respondents perceiving gaps in the emergency funding through the Department of Canadian

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<sup>5</sup> "[COVID-19 Impact Survey](#)," Ontario Association of Art Galleries, 30 March 2020.

<sup>6</sup> Ibid.

<sup>7</sup> "[Museums, museum professionals, and COVID-19](#)," International Council of Museums, 26 May 2020.

<sup>8</sup> "[Canadians' Arts, Culture, and Heritage Participation in 2016](#)," Hill Strategies, 14 November 2018.

<sup>9</sup> "[Arts Response Tracking Study](#)," Business / Arts with National Arts Centre and Nanos, May 2020.

Heritage and Canada Council for the Arts.<sup>10</sup> Canada's arts and culture require long-term solutions to help recover from the economic and social impact of the pandemic. The Government of Canada must work with the provinces and municipalities to ensure the sustainability and health of this integral sector.

Thus, **our recommendations are about setting clear priorities and investments for our sector to recover, rebuild and re-emerge, so that the effect of the investments made will benefit all Canadians.**

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## OAAG/AOGA's Recommendations

### Recommendation 1: Provide subsidies for reopening costs

When art galleries are able to safely reopen, following local health recommendations and legislation, it is imperative that they can provide safe and enjoyable experiences for visitors and cultural workers with adequate supplies, labour, and infrastructure in response to current public health protocols

With reopening public art galleries, there are additional considerations for new budget line items including supplies (PPE and cleaning products); additional labour (cleaning, management of physical distancing, security/monitoring); and infrastructure costs (contactless entry, motion-activated faucets, disposal, plexi-glass barriers, HVAC filtration, signage). This comes on average an estimated 5% increase in operating costs in order to provide safety to everyone. It is imperative for galleries and spaces to be safe to properly address the health, economic, and social recovery.

These subsidies, particularly for infrastructure costs, could be included in an expanded stream of the current Canada Cultural Spaces Fund (CCSF), which already assists cultural spaces such as galleries with funding for infrastructure related projects. Prior to COVID-19, the programme received high demand given the need across the cultural sector. Additional investment of \$20M needs to be added to the current \$30M budget. A new stream of this fund could be adapted to assist cultural spaces with COVID-19 related infrastructure projects necessary for a safe and permanent reopening with flexible guidelines.

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<sup>10</sup> "[CAC Membership Survey to inform Federal Advocacy of the needs of art organizations during the 2020 Pandemic](#)," Canadian Arts Coalition, 13 July 2020.

## **Recommendation 2: Establish a Digital Assets Fund**

With Canadians isolated at home and art galleries forced to close, the COVID-19 pandemic has accelerated the need to increase access for Canadians (and the world) to visual art experiences through digitized collections, online education, and public programming at institutions of all scales.

Digital experiences have maintained a level of access to cultural resources in isolating scenarios. The process of creating digital assets is often costly and laborious, therefore requiring further funding and support from the Government of Canada. The creation of digital assets can take upwards of 24 weeks for art galleries to implement.<sup>11</sup> One channel for art galleries and art museums is digitizing collections; at the moment, only 2% of national collections/objects are digitized.<sup>12</sup> Currently, there is no funding at either a provincial or federal level to digitize collections. Additionally, this fund will support online presentations of programmes, online digital exhibitions, and online educational programmes. Creating any digital asset, there are a variety of costs to be covered under this fund including technology, expertise, training, security fees, and intellectual property fees (artist and creator fees). Currently the Canada Council for the Arts Digital Strategies Fund is beneficial for some galleries; many valuable projects are not eligible. Either additional streams of the fund must be created or a new fund altogether.

## **Recommendation 3: Provide a Basic Income Guarantee for all Canadians**

Many artists and arts workers work differently than professionals in other sectors. COVID-19 has highlighted many of the cracks and inequalities in financial security and social support systems with many Canadians, including artists and arts workers, left without work. These issues were not new or created by the pandemic. Self-employment and short-term contracts are the norm for many workers in the creative sector. Marginalized individuals often face these structural inequalities at a greater rate especially among those with disabilities, Black, Indigenous, and people of colour, LGBTQ2+, young and emerging, refugees and immigrants, single mothers, and many other vulnerable peoples. Due to current funding models, art galleries often have to employ professionals on short, project-based contracts. The precarious work is not predictable or reliable but yet the reality for many. Current social assistance and employment insurance programmes are not suitable for these self-employed, gig, or short-term contract professionals. Moreover, these workers do not have access to other health benefits or paid sick leave that those employed full-time within larger institutions have.

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<sup>11</sup> “[COVID-19 Impact Survey](#),” Ontario Association of Art Galleries, 30 March 2020.

<sup>12</sup> Kate Taylor, “[Going digital not easy for cultural institutions](#),” *The Globe and Mail*, 18 April 2020.

The recommendation for a Basic Income Guarantee is supported by artists and arts workers across Canada with over 300 signatories on a recent letter to Government officials.<sup>13</sup> This need extends beyond the art world and affects all Canadians. As the letter indicates, “the world of general labor is looking a lot like the way art labor has looked for decades.”<sup>14</sup>

During the pandemic, CERB has proven extremely valuable to many of these workers who would not normally be eligible for EI or other social assistance. A Basic Income Guarantee of \$2,000 per month is not just a part of COVID-19 recovery, but an integral pillar to Canada’s social security for future generations of Canadians. It is helping provide for the most vulnerable and ensuring that all Canadians are able to live and succeed. Until a Basic Income Guarantee programme is available, it is necessary to continue providing CERB to Canadians.

## **Recommendation 4: Extend and Adapt CEWS**

Throughout the pandemic, many public art galleries have heavily relied on the Canadian Emergency Wage Subsidy (CEWS) to prevent the lay-off or furlough of its staff. As long as important government-mandated health restrictions of gatherings continue to be in place, CEWS needs to be extended and continued to adapt to meet the needs of these organizations. Following the lifting of restrictions, a transitory period of three months should allow art galleries and other cultural institutions to return programming to pre-COVID-19 levels. Although many galleries are able to open their doors to visitors once again, many are currently unable to generate earned revenue due to restrictions on gatherings preventing many public programmes, education programmes, summer camps, fundraisers, venue rentals and more. As restrictions ease, some of these programmes are able to return in some capacity; however often not generating the same revenue due to increased staffing required, increased need for supplies, or smaller participation to allow physical distancing to meet local regulations. Even once restrictions are fully lifted, it will take time before audiences and visitors are confident to fully return to pre-COVID-19 activity levels. An extension of CEWS would allow for galleries to continue to operate and provide vital services to communities across Canada.

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<sup>13</sup> “[A Public Letter From The Arts Community For A Basic Income Guarantee](#),” Ontario Basic Income Network, 16 July 2020.

<sup>14</sup> Tim Schneider, “[The Gray Market: Why the Entire Art World Should Back Canadian Arts Workers’ Push for Universal Basic Income \(and Other Insights\)](#),” ArtNet News, 20 July 2020.