

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

By: Ontario Museum Association
August 7, 2020



Recommendation 1: The Ontario Museum Association recommends that the 2021 Federal Budget extends and increases emergency support to museums;

Recommendation 2: That through the 2021 Federal Budget, the government continues to prioritize an investment of resources toward the review of the national museum policy;

Recommendation 3: That the 2021 Federal Budget increases funding to Canada's museums to at least \$60 million annually;

Recommendation 4: That the government fund initiatives for digital transformation in museums; and

Recommendation 5: That the government expand the Endowment Incentives and Limited Support components of the Canada Cultural Investment Fund to include heritage organizations including museums.

About the Ontario Museum Association

The Ontario Museum Association (OMA) speaks for more than 700 Ontario museums, galleries, and historic sites, 11,000 museum professionals, and 35,000 museum volunteers who hold the collections of the province, in trust for the people of Ontario. Since 1972, the OMA has been the leading professional association for museums and museum workers in the province of Ontario.

The OMA represents the wide variety of museums across Ontario, from the very largest provincial and national-level institutions to the very smallest local community heritage sites. These smaller museums—with annual budgets less than \$165,000—represent half of our membership. Our members are found in every community across Ontario.

We thank the Standing Committee on Finance for this opportunity to submit to the 2021 Federal Budget on behalf of our members and to contribute to the process of supporting Canada's and Ontario's museums as they survive and recover from the pandemic.

Executive Summary

Canada's museums are key assets for our country's tourism sector, and an integral part of our vibrant arts, culture, and heritage sector. Museums contribute more than \$4 billion dollars in value to Canada on an annual basis, and have a return on investment of \$3.70 for every dollar they spend¹. This contribution was jeopardized by the global pandemic that forced museums to close their doors and prevented them from generating revenue and providing service to their communities. The estimated revenue losses alone total more than \$120 million dollars since the start of the pandemic², and with operations facing increased costs and decreased capacity, the losses are expected to mount. Emergency funding support is needed for the survival of Canada's museum sector.

The pandemic has exacerbated existing financial stability issues within the museum sector. A renewed National Museum Policy is essential to ensure that museums can access the funding they need to serve their communities. This new National Museum Policy and new funding programs must reflect the current context for museum operations and provide adequate and increased multi-year operating funding³. The Ontario Museum Association fully supports the recommendations of the Canadian Museums Association.

¹ *Value Study of GLAMs in Canada*, Oxford Economics, 2019

² Based on data from the Government of Canada Survey of Heritage Institutions, Department of Canadian Heritage, 2018

³ CHPC, Evidence, 1st Session, 42nd Parliament, 20 March 2018, 0855 (Ms. Marie Lalonde, Executive Director, Ontario Museum Association)

Recommendation 1: The Ontario Museum Association recommends that the 2021 Federal Budget extends and increases emergency support to museums.

As a matter of public health, museums across Canada closed to the public in March 2020, drastically reducing their ability to generate the revenue they rely on to serve their communities. The months of closure—still ongoing for many—have exacerbated existing financial stability issues in the museum sector. From Ontario Museum Association survey data, 74% of museums have less than three months' worth of reserve funds⁴, and pandemic closure has placed additional pressure on already-strained budgets.

Independent, not-for-profit, non-municipal museums generate 65% of their annual revenue from activities like fundraising, school tours, and admissions⁵—areas all severely limited by the pandemic⁶. For all museums and historic sites across Canada, these categories of earned revenue are more than \$120 million since pandemic closures began⁷.

For municipalities, the increased costs due to the pandemic will place additional pressure on their budgets and may leave museum budgets vulnerable to drastic cuts.

Re-opening to the public, when permitted under public health guidance, also involves additional costs for protective equipment, technology, and cleaning, while limited venue capacity simultaneously inhibits revenue generation. Museums are also contending with older visitor and volunteer demographics that may be less likely to make in-person visits or contribute volunteer support in the near future.

Canada's museums are at risk due to COVID-19, and though Museums Assistance Program Emergency Support funding has been announced, the 10% of operating support⁸ will not sustain museum operations into 2021.

Museums are valued by the Canadian public and have a return-on-investment of \$3.70 for every dollar that they need to operate⁹. This funding will protect and preserve valuable heritage, cultural, and community assets so that they may survive until they are able to welcome the public fully again.

⁴ *Museum Impact Survey*, Ontario Museum Association, 2019 (unpublished data)

⁵ Ibid.

⁶ *COVID-19 Survey Key Findings*, Ontario Museum Association, 2020

⁷ Based on data from the *Government of Canada Survey of Heritage Institutions*, Department of Canadian Heritage, 2018

⁸ *COVID-19 Emergency Support Fund for Heritage Organizations – Museums Assistance Program*, Department of Canadian Heritage, 2020

⁹ *Value Study of GLAMs in Canada*, Oxford Economics, 2019

Recommendation 2: The Ontario Museum Association recommends that through the 2021 Federal Budget, the government continues to prioritize an investment of resources toward the review of the national museum policy.

Following the recommendations of the Report of the Standing Committee on Canadian Heritage, “Moving Forward – Towards a Stronger Canadian Museum Sector”, we urge the Government of Canada to follow through on the commitment to review our National Museum Policy. We were pleased with the inclusion of the National Museum Policy review in the mandate letter addressed to the Honourable Steven Guilbeault, Minister of Canadian Heritage, on December 13, 2019.

Canada’s museums need a new museum policy, new funding programs that reflect the current context for museum operations, and adequate and increased multiple-year operating funding¹⁰. The review of the National Museum Policy is essential for the progress and sustainability of all Canadian museums.

We continue to encourage urgent and concrete action on recommendations in Moving Forward – Towards a Stronger Canadian Museum Sector, a report of the House of Commons Standing Committee on Canadian Heritage. These include:

- a review and modernization of the policy, last updated close to 30 years ago;
- a review of funding streams for museums with the goal of establishing a more sustainable funding system, to help ensure more aspects of museum operations are supported;
- an expansion of the Museums Assistance Program to enable an investment beyond collections-based activities (including but not restricted to digital efforts); and
- a simplification of the funding application for museums, especially for small museums, which have important stories to tell and for whom the current process presents barriers.

¹⁰ CHPC, Evidence, 1st Session, 42nd Parliament, 20 March 2018, 0855 (Ms. Marie Lalonde, Executive Director, Ontario Museum Association)

Recommendation 3: The Ontario Museum Association recommends that the 2021 Federal Budget increases funding to Canada’s museums to at least \$60 million annually.

In parallel to the renewal of the National Museum Policy (see Recommendation 2), the Ontario Museum Association recommends that Canada’s government increase annual, predictable funding to our country’s museums to at least \$60 million per year, beginning with the 2021 Federal Budget.

Many of Canada’s museums face significant challenges in acquiring sufficient funding to carry out their mandates, day-to-day activities, pay their staff, and preserve historical objects. For smaller, community museums, funding is one of the biggest concerns. Museums are often struggling to find innovative ways to secure funding, which takes time away from core museum functions to the detriment of collections. Small museums are also competing with Canada’s largest institutions for funding, grants, and admissions revenue, with the largest museums overshadowing the smaller ones with sophisticated marketing and grant applications¹¹.

Increased support, especially for Canada’s small to mid-sized museums, is an essential part of building a modernized relationship between museums and the federal government. The increase in funding will put museums in a better position to deliver on their core mandate and the benefits they offer to all Canadians. Demonstrated return on investment shows that museums offer untapped potential for economic and social returns¹².

Recommendation 4: The Ontario Museum Association recommends that the government fund initiatives for digital transformation in museums.

While museums were closed to the public, museum workers across the public developed engaging, educational, and entertaining for the Canadian public. Where possible, museums accelerated their digital transformation and created online exhibits, virtual panel discussions, downloadable activities and community memory repositories. Museums and culture were a fundamental part of Canada’s response to the pandemic.

The pandemic was not an opportunity for every museum to build online engagement, however. COVID-19 increased the divide between museums able to expand into the digital world and those without the infrastructure, technology, and skills to do so¹³.

¹¹ *Moving Forward – Towards a Stronger Canadian Museum Sector*, Report of the Standing Committee on Canadian Heritage, September 2018, 42nd Parliament, 1st Session.

¹² *Value Study of GLAMs in Canada*, Oxford Economics, 2019

¹³ “*Going digital not easy for cultural institutions*”, The Globe and Mail, April 18, 2020

Pre-pandemic, museums usually get 93.5 million online visits a year, 3 per second. With 75% of tourists planning their trips online, these investments in digital access and engagement are essential to rebuild Ontario tourism for staycations and domestic travel. Funding new technologies is necessary for a safe, contactless flow of visitors through payment systems, guest interaction activities, and group/crowd management. In addition, re-skilling, enhanced learning opportunities, and investment in sector-specific & digital capacity training are essential.

Investment in digital transformation for Canadian museums is essential to sustained, equitable access to the research, stories, and benefits that museums have to offer to Canadians. Changing tourist and education practices will make digitalized museums more important and valuable for Canada. This funding will ensure that every Canadian museum has the opportunity to participate in producing digital content in a strategic, sustainable way that meets the needs of their communities and helps build their visitor base.

Recommendation 5: The Ontario Museum Association recommends that the government expand the Endowment Incentives and Limited Support components of the Canada Cultural Investment Fund to include heritage organizations and museums.

Canadian museums, especially smaller museums, have been unable to grow their reserves or endowments from federal matching programs; unable to fully benefit from private and foundation donations to their endowments. Endowment funding provides predictable, sustainable funding for museum core operations, whose costs may not be eligible under project-based and youth employment programs.

Federal-level Endowment Incentives have been very effective for arts organizations, leveraging \$386 million in private sector donations since 2001¹⁴, while museums and other heritage organizations have been unable to benefit from the same level of support. Pandemic recovery is changing visitor behavior and the ways that museums are able to work and generate revenue. Endowment funding provides an avenue for support that will help museums survive and evolve to meet the needs of their communities in a strategic and sustainable way with long-term planning:

Donors are attracted to matching gift opportunities and will often give, or give more, if their gifts will be matched. Endowments—for everything from positions to operations—provide institutions with financial support in perpetuity. Extending this program to museums would leverage finite public funds to maximize private support. These endowment funds would also secure the financial future of museums, assisting them in weathering changing economic times.

¹⁴ *Canada Cultural Investment Fund*, Department of Canadian Heritage, n.d.
<https://www.canada.ca/en/canadian-heritage/services/funding/cultural-investment-fund.html>

Mr. Josh Basseches,
Director and Chief Executive Officer,
Royal Ontario Museum
Evidence to the Standing Committee on
Canadian Heritage, 22 March 2018¹⁵

Furthermore, heritage organizations provide many of the same benefits and face many of the same challenges as arts organizations. Adding heritage organizations, like museums, as eligible applicants for the Canada Cultural Investment Fund – Endowment Incentives and Limited Support to Endangered Arts Organizations funding programs, re-affirms their status as assets to their communities with value for Canadians.

Conclusion

Federal Budget 2021 provides an opportunity for the Government of Canada to modernize its relationship with Canada's museums. The Recommendations above provide key action areas for the Government to rebuild connection to our country's museums and assist them in survival and recovery during the pivotal time of a global pandemic.

Contact

Marie Lalonde
Executive Director
Ontario Museum Association
50 Baldwin Street
Toronto, ON M5T 1L4
416-348-8672 or 1-866-662-8672
mlalonde@museumsontario.ca

¹⁵ CHPC, Evidence, 1st Session, 42nd Parliament, 22 March 2018, 0850 (Mr. Josh Basseches, Director and Chief Executive Officer, Royal Ontario Museum)