



**Written Submission for the Pre-Budget
Consultations in Advance of the 2022
Budget**

**By Galeries Ontario / Ontario Galleries
(GOG)**

Recommendation 1: Recovery / Stabilization for two years for Art Galleries and Museums

Recommendation 2: Federal basic income guarantee for all Canadians

Recommendation 3: Digital Assets Fund

Galleries Ontario / Ontario Galleries is a one-of-a-kind association in Canada representing art galleries, serving them through advocacy, network building, and professional development in Ontario and Canada. We serve a heterogeneous sector with a network of 2700 art professionals in over 63 Ontario communities. Our 260 members are various sized arts organizations, such as public art galleries, museums, artist-run-centres, and arts organizations.

Background Summary:

Art galleries and museums are an integral part of Canada and hold a key role in Canada's economy; every year, 99% of Canadians participate in the arts, culture, and heritage in some way. From the National Gallery of Canada to small, regional galleries across Canada, these institutions bring communities together and help stimulate the economy. In 2019, the GDP for the culture sector generated \$57.1 billion (90.4%). For employment, the culture and sport sectors accounted for just over 772,000 jobs in Canada, up 2.2% in 2019, with nearly all provinces posting gains¹. Culture jobs accounted for more than 80% of the increase, led primarily by the visual and applied arts, audio-visual and interactive media, highlighting the growing importance of digitization in the culture sector².

The COVID-19 crisis has compelled GOG to closely examine the underlying conditions for the healthy recovery and re-emergence of the arts sector. Before the pandemic, art galleries were already in a precarious position with razor-thin margins. The **average working capital ratio for art galleries is less than 1%** over the last four years, ranging between 0.84% to 0.95%.³ A less than 1% ratio indicates financial vulnerability regarding an organization's capacity to cover its short-term payables. Notably, within our sector, **for every dollar invested** in non-profit art galleries, there is a social **return of \$4**.⁴ The significant compounding economic effect of investment in our sector is substantial.

Moreover, within our membership, 26% of galleries operate on an annual budget of less than \$300,000; and that statistic is consistent throughout Canada's public art galleries. These small galleries, mainly found in rural regions in Canada, are the most vulnerable and need assistance to ensure that they can reopen and sustain operations. If not, there will continue to 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 Canada. In a study conducted by the International Council of Museums (ICOM), 1 out of every 10 museums and art galleries are likely to close in North America due to COVID-19.⁵ 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.

¹ "[Provincial and Territorial Culture Indicators, 2019](#)," Statistics Canada, 27 May 2021.

² Ibid.

³ "[Understanding Canadian Arts Through CADAC Data: A Portrait of 77 Art Museums and Public Art Galleries](#)," Canada Council for the Arts, 20 March 2015.

⁴ "[Value Study of GLAMs in Canada](#)," Oxford Economics and Ottawa Declaration Working Group, December 2019.

⁵ "[Museums, museum professionals, and COVID-19](#)," International Council of Museums, 26 May 2020.

According to a survey done by the Ontario Nonprofit Network (ONN) conducted during the province-wide lockdown Spring 2021 in Ontario, 91% of the organizations that answered in the arts, cultural heritage, tourism sector were deemed non-essential. They also saw the highest number of organizations that have closed permanently due to the pandemic.⁶

Before COVID-19, just less than one-half of Canadians (48%, or 14.2 million Canadians) visited either an art gallery or another type of museum.⁷ However, in a recent study by Business for the Arts, just over a third of the individuals polled were likely to immediately return to an art gallery even though deemed safe by health regulations—many choosing to wait longer to be fully vaccinated before they will return.⁸ Even as restrictions are continually being lifted and vaccines become more readily available, there is still hesitation in attending a cultural centre. Many of these organizations continue to struggle to regain earned revenue lost due to the cancellation of paid educational programming, venue rentals, and other fundraising events due to the limited capacity for everyone's safety.

The Government must work with the provinces and municipalities to ensure the sustainability and health of this integral sector.

Recommendation 1: Recovery / Stabilization for two years for Art Galleries and Museums

The pre-COVID-19 precarity of art galleries and museums was critical. The Canada Council for the Arts reported that most art galleries across Canada have a working capital ratio of less than 1. Given such severe working conditions, the onset of the pandemic came as a cruel blow to an already struggling sector. Recovery implies going beyond this pre-COVID precarious condition. To ensure any meaningful recovery, a stabilization fund for art galleries and museums is imperative; the sector needs support to recover and meet the increased needs of communities. This cannot be achieved solely by fundraising efforts or reliance on program and service fees. Though there is some government funding, most funds for smaller art organizations tends to be targeted towards individual, short-term projects, which does not help the organization build capacity or plan for the long-term⁹. Federal funding is essential to support the organization's regular activities and develop and strengthen its operations over time.

Cultural institutions are reopening across the country and it is imperative to provide safe and enjoyable experiences for visitors and cultural workers. With reopening 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, plexiglass barriers, HVAC filtration, signage). This comes on average an estimated 5% increase in operating costs to provide safety to everyone.

⁶ ["2021 ONN State of the Ontario Nonprofit Sector Survey"](#) Ontario Nonprofit Network, Spring 2021

⁷ ["Canadians' Arts, Culture, and Heritage Participation in 2016,"](#) Hill Strategies, 14 November 2018.

⁸ ["Arts Response Tracking Study,"](#) Business / Arts with National Arts Centre and Nanos, January 2021.

⁹ CHPC, [Evidence](#), 1 st Session, 42nd Parliament, 27 February 2018, 0850 (Mr. Henry Kim, Director and Chief Executive Officer, Aga Khan Museum).

Organizations of all sizes must receive sufficient funding to ensure that spaces and events across Canada meet the current and future public health safety guidelines and optimize their operations to achieve health, economic, and social recovery.

Recommendation 2: Federal basic income guarantee for all Canadians

Canada's arts sector has been devastated by the pandemic. It will be one of the last to recover fully, and with this lengthy recovery, the individual creative artist and cultural workers are paying the greatest price for this loss. Many artists and arts workers work differently from professionals; they often are self-employed, work in the gig economy, or have short-term contracts. Frequently, the jobs available in the arts sector are low salaries, lack benefits, and are based on temporary contracts, creating employment instability and issues retaining employees within the sectors¹⁰.

COVID-19 has highlighted many of the cracks and inequalities in financial security and social support systems with many Canadians with artists and cultural workers being left without work for months. Hours worked in the arts, entertainment and recreation sector declined 36.6% in 2020, including 60.7% for performing arts. According to an article by CAPACOA based on data from Statistics Canada's Labour Force Survey, "One in four arts, entertainment and recreation workers lost their job in 2020, compared to 2019. That's 114,400 artists, technicians, marketing staff, arts administrators and other cultural workers who could no longer earn a living out of their profession" and out of all jobs lost in Canada 2020, 11% were in the arts and culture sector.¹¹

CERB and CRB have proven that it is possible to provide meaningful support to individuals facing income precarity. The implementation of these programs has generated widespread public support for a permanent program to address basic income. However, these program restrictions also left many Canadians behind in deep poverty combined with a lack of access to benefits, paid sick leave, or employment insurance. Which also disproportionately affected vulnerable and marginalized communities, including people with disabilities, LGBTQ2+, Black, Indigenous, people of colour, refugees and immigrants.

On 16 July 2020, we wrote a public letter addressed to the Prime Minister and the Minister for Canadian Heritage which represented more than 75000 artists from all over Canada called, "Our voices are united; we call upon the Government of Canada to ensure the financial well-being of all residents by implementing a permanent Basic Income Guarantee."¹² On January 30 and 31, 2021, the Basic Income: An Artists' Commission received verbal and written testimonies from Canadian artists and activists from a

¹⁰ CHPC, [Evidence](#), 1 st Session, 42 nd Parliament, 16 June 2016, 0850 (Ms. Joanne Watkins, General Director, Fashion Museum).

¹¹ ["2020: The Year One In Four Arts Workers Lost Their Jobs"](#), CAPACOA, 15 January, 2021.

¹² ["A Public Letter From The Arts Community For A Basic Income Guarantee"](#), Ontario Basic Income Network, 16 July 2020.

range of lived experiences, including CERB/non-CERB eligible, low income, homeless or precariously housed, BIPOC, urban/rural, labour and housing justice on the benefits of basic income. Basic Income can reduce poverty, stabilize incomes, and simplify the complex web of benefits and programs available to Canadians. However, it must not come at the cost of eliminating any disability-focused credits or further negatively impact the working poor and marginalized or take away services from low-income people.

These issues were not new or created by the pandemic, only highlighted and amplified. 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. Our country depends on artists and arts organizations to re-engage the public and they will be vital in bringing back the excitement and economic vibrancy.

Recommendation 3: Establish a Digital Assets Fund

The COVID-19 pandemic over the past many months has accelerated the need to increase access for Canadians to experience visual art through digitized collections, online education, and public programming. We have seen Canadians everywhere relying heavily on digital programming over the past months and will continue to see this need for digital access in the future. The Council of Canadian Academies recently stated that in the digital world “Canada is falling behind”¹³ and this is not acceptable. Canada needs to be at the forefront of digital experiences for the arts. These experiences will create a new level of access to cultural resources for people in isolated and marginalized communities.

However, 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 implement¹⁴ and only 2% of national collections/objects are digitized.¹⁵ Currently, there is no funding at either the provincial or federal level to digitize collections. Additionally, this fund would support online presentations of programmes, online digital exhibitions, and online educational programmes. When creating any digital asset, there are various costs to be covered such as technology, expertise, training, security fees, and intellectual property fees.

The National Arts And Culture Impact Survey: a Canadian study conducted in November of 2020, received responses from 728 arts organizations across Canada. It reveals that 82% of responding organizations are “interested in or already exploring [digital] opportunities” and that 65% agree that digital opportunities are “a necessary aspect of [their] practice or operations,” however, only 50% have “the knowledge required to go digital.”¹⁶ There is a need for digital assets and digital knowledge, but there must be

¹³[Leading in the Digital World: Opportunities for Canada's Memory Institutions.](#), Council of Canadian Academies, 2015.

¹⁴ “[COVID-19 Impact Survey](#),” Ontario Association of Art Galleries, 30 March 2020.

¹⁵ Kate Taylor, “[Going digital not easy for cultural institutions](#),” *The Globe and Mail*, 18 April 2020.

¹⁶ [National Arts And Culture Impact Survey: Organizations Report](#), Hill Strategies, 24 February, 2021

streams of funding that allow for these advancements. The Canada Council for the Arts Digital Strategies Fund is beneficial for some galleries; however, many valuable projects are not eligible. Additional streams of the fund must be created or a new fund altogether to support access, discovery and preservation. Leveraging digital technologies and digitizing collections allows cultural institutions to provide immediate access to their holdings and resources to an almost limitless audience.

Conclusion

It is clear that we are still a long way off from recovery and will continue to fight against the precariousness of the arts sector, which this pandemic has only amplified. Creating resilience and revitalization won't be accomplished by a one-time cash injection. The federal government needs to start dismantling some of the endemic challenges standing in the way of the arts sector and its ability to achieve its full potential. Supporting the art and cultural sector makes communities healthier, more creative, connected and equitable.

Sincerely,



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