

CANADA'S LIVE MUSIC SECTOR

Leveraging the economic, social, and cultural
impact of live music for all Canadians

A pre-budget submission from the Canadian Live Music Association (CLMA)
August 4, 2023



RECOMMENDATIONS

1

Harness the momentum of live music activity, for artists and for the Canadian and visitor economies: **Increase the Canada Music Fund (CMF) permanently to \$60M; preserve existing programs and earmark \$10M for a new, live music-specific program inside the CMF** to support commercial live music companies to present and help grow the careers of Canadian artists while driving domestic and international tourism and touring through live concert and event activity.

2

Make permanent the supplementary investments of \$8 million per year in the Canada Arts Presentation Fund (**CAPF**) and \$7 million per year in the Building Communities Through Arts and Heritage (**BCAH**) program, first announced in the 2019 budget and extended in the 2021 budget.

3

Invest an additional \$30 million per year in these two programs (\$21 million for CAPF and \$9 million for BCAH) to support the adaptation and growth of the live performance sector in the post-pandemic era.



CANADIANS VALUE LIVE MUSIC

Research indicates that 86%¹ of Canadians say live music plays an important role in **mental health** (socialization, stress management, connectedness) and 82% say live music is an important part of building our **social connections and sense of community**.

82% of Canadians agree that a strong live music sector is important for our **Canadian cultural identity**.

81% of Canadians agree that live music plays an important role in showcasing the **diverse backgrounds and identities** of people in Canada.

81% of Canadians agree Canada has a positive impact on our **country's economy** and 80% say live music has a positive impact on their province's economy.

¹ From an internal report prepared by Abacus Data for the CLMA, Fall 2022

ECONOMIC IMPACT, TOURISM, ARTIST DEVELOPMENT

The live music industry builds vibrant cities and helps to drive destination development. It supports job creation, powers local economies, increases tourism, and perhaps most importantly, helps to provide a key revenue stream for artists. In the 21st century the landscape of the music industry has changed with live performances emerging as the primary mechanism for artists to attempt to earn a sustainable income. In 2019, Forbes noted that touring artists earned between 75-90% of their yearly income from live performances and appearances. Live music spaces play a crucial role in the development of Canadian music, providing a platform for artists to build their careers and develop their music and performance skills. This is especially true in a post-pandemic world, and even more so for racialized and emerging artists.

While federal funding programs have



traditionally emphasized and rewarded recording and other areas of the industry, it's crucial to recognize that these avenues are no longer the exclusive mainstay of many artists' livelihoods. The availability of and access to touring infrastructure in Canada is essential for an artists' career development, to share content and to build audiences. Canada's live performance spaces (indoors and out) create highly-specialized, local, regional and national grids for touring artists which enable them (and the myriad of other jobs connected to putting on a concert or festival) to work. The live music ecosystem is indispensable to both local communities and to the broader music industry. Live music hubs can also serve as other community gathering spaces be it for social, cultural, educational, or networking purposes or as a place for musicians to rehearse. Live music spaces (and the people behind them) nurture talent, and are paramount for emerging artists to launch a career.

Not only essential for artists, live music as a driver of tourism represents extraordinary and under-realized potential for Canada's economy, and for Canada's tourism industry still recovering from the pandemic.

For example, in the UK, data from a July 2023 report shows that total music tourism spending in 2022 was £6.6 billion, with a total number of foreign and domestic

visitors of 14.4 million. Total employment sustained by music tourism in the UK in 2022 was 56,000. Authors of the report, UK Music, estimate that the £6.6 billion that music tourism supported last year “could increase significantly by 2030 – with the right support from Government, local councils and others to spread growth and jobs across the UK.” Other countries are also mobilizing, fully recognizing just what benefits of concert activity, from grassroots venues to international tours, can accrue with appropriate policy frameworks.

We urge the committee to consider the significance and potential of the live music industry when drafting the 2024 federal budget. In the context of this changing landscape, it is also important to highlight the significant financial challenges currently faced by many in the sector. Working in an environment of increased operating costs, including skyrocketing insurance premiums, places a heavy burden on many organizations, threatening the sustainability of their operations. This is compounded by the lingering effects of the pandemic and the ongoing impacts of inflation. By acknowledging the changing dynamics of the music industry and aligning support with the primary income generation mechanism for artists, we can foster a thriving ecosystem that benefits Canadian culture, the industry, and most importantly - the artists themselves. Investment in the live music industry must be a priority.

To help protect and grow Canada’s live music network the CLMA recommends that the government increase and make permanent annual contributions to the Canada Music Fund (CMF), earmarking \$10M for live music to ensure equitable and



more stable funding for the sector and in doing so, recognize, support and leverage live music activity directly. Live music remains significantly under-funded in comparison to other areas of the music industry and culture. Creating a dedicated live stream within the CMF will provide a targeted opportunity for individuals, companies through direct and meaningful financial assistance.

The CLMA also recommends (below) permanent changes to the Canada Arts Presentation Fund and the Building Communities Through Arts and Heritage programs to concretely address widening gaps and challenges faced by non-profit festivals, venues and performing arts centres. Canada’s touring ecology is vulnerable and our artists' ability to forge careers and build audiences hangs in the balance.

With purposeful, increased and permanent investment, the breadth and depth of Canada’s live music sector can help to achieve government priorities on behalf of the broader stakeholder community and all Canadians, for our collective future prosperity.

RECOMMENDATION 1

With some of the most acclaimed and diverse year-round entertainment assets existing in Canada today, the live music industry has a deep impact, down the street and across the globe. Yet, businesses and other entrepreneurs in the live space are not eligible for Canadian Heritage programs, despite their extraordinary ability to intensify economic impact, both directly and indirectly while highlighting, showcasing and amplifying Canadian culture and identity. Today's funding framework excludes these essential spaces serving Canadian artists, which today especially, seems an obvious gap.

The CLMA has long-called for a dedicated live music program. With emergency pandemic funds having been effectively delivered through FACTOR and Music Action to the sector, we are again recommending that the CMF be increased and include a clearly defined live music stream of \$10M annually.

A further modernized CMF, one that includes investment in live music, is central to the development of Canadian artists, musicians, and workers such as live music venues and others. Supporting live music companies through the CMF will also:



- Help to produce and promote a diversity of Canadian music at home and abroad;
- Allow companies to be more competitive at home and abroad;
- Allow companies to better contribute to Canada's creative economy;
- Get people and artists back to work in the industry and keep them there
- Help to reduce barriers to funding for equity-deserving and sovereignty-affirming companies and organizations;
- Improve equity, diversity and inclusion within the sector broadly;
- Increase climate-related action in the sector;
- Support innovative marketing and other partnerships to continue to build consumer confidence and demand.

The program should be designed for companies and organizations seeking to build, establish and/or amplify live music offerings and/or address other related needs/priorities targeted specifically at directly and indirectly supporting artists and attracting new audiences from diverse markets. The program should align with economic realities while providing increased opportunities for artists to thrive. The program should be designed in consultation with the CLMA and live music community.

RECOMMENDATIONS 2 & 3

The Canada Arts Presentation Fund (CAPF) and Building Communities Through Arts and Heritage (BCAH) programs have not received the same attention from the federal government as other funding mechanisms and therefore no longer have the same economic and cultural stimulus effect as intended upon their creation. Their funding envelopes have neither kept up with inflation nor with the growing number of program clients. In spite of the supplementary investments from the 2021 federal budget, beneficiaries of these programs are being supported at a dramatically smaller percentage of their budget today than they initially were when these two programs were originally rolled out.

The live performance sector, especially non-profit festivals and presenters, needs further support to adapt to changing consumer behaviours and to return to a path of economic growth and cultural vitality in the post-pandemic era. With enhanced and stable funding, the domestic touring and presenting sector will be able to plan longer-term and put in place further reaching, more environmentally sustainable and economically viable tours. Moreover, ongoing enhanced support to series presenters and festivals supported by the CAPF will create the capacity for performances year-round. The resulting increases benefit artists, local consumers and tourists and are directly in line with the objectives and outcomes found within the federal government's Tourism Growth Strategy.





MOVING FORWARD

Live music and events not only support Canadian culture and identity at home and abroad, they invest in creators and in communities from coast to coast to coast. Working to ensure small- and medium-sized live music businesses and organizations can overcome challenges and capitalize on opportunities will also help to cultivate cultural exports (like artists), and lay a path for Canadian-owned businesses to better compete, innovate, and become leaders in their fields with the goal of increasing Canada's brand and demand, globally.

A strong 2024 federal budget will recognize, celebrate, and support our remarkable live music industry, enabling it to play a more robust, meaningful role in the cultural, civic, and economic lives of all Canadians.

ABOUT THE CLMA

The Canadian Live Music Association (CLMA) represents the stages upon which our artists stand, both indoors and out, and the supply chain that surrounds them. We are behind the people behind live music from small venues to Canada's large-scale concerts, arenas and festivals, to promoters and performing arts centres, talent agents, production crew, freelance service providers, suppliers and many others including both for and non-profit companies and organizations who make up Canada's live performance touring infrastructure.



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The voice of live
music in Canada
La voix du spectacle
musical au Canada