



**Ideal Communities**

**Inclusive Workforce**

**Innovative Individuals**

Submission to the Standing Committee on Finance  
in response to the Pre-Budget Consultations  
in advance of the 2018 budget

Canadian Museums Association

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August 2017

## Executive Summary

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The Standing Committee on Finance, “*believing that more productive people and more productive and competitive businesses can lead to enhanced growth and prosperity*”, has called for submissions on the topic of productivity and competitiveness.

Canadian museums help people and businesses be more productive by fostering:

- ideal communities,
- an inclusive workforce, and
- innovative individuals.

The 2018 federal budget can increase this effect of museums on productivity by:

1. Including a review of the Canadian Heritage programs for museums and increasing program funding.
2. Further increasing the funding for Young Canada Works programs for museums.
3. Creating a matching donation program.

## Introduction

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Established in 1947 and with close to 2,000 members across Canada, the Canadian Museums Association offers professional development for museum staff and volunteers, key services, and grants and contributions to support our museums.

The CMA is pleased to respond to the consultation in advance of the 2018 budget by proposing measures to help Canadian businesses be more productive and competitive.

## Museums and Productivity

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Museums are an important part of the fabric of our country. Canada counts more than 2,600 museums, public art galleries and related heritage institutions, the stewards to our national heritage. Museums employ more than 32,000 people and over 103,000 volunteers (who contribute over 5.6 million hours per year!). Close to 62 million people visit museums, galleries, and historic sites each year, including 6 million school children.

No longer static temples, museums have transformed themselves into innovative hubs, becoming more engaged and relevant within their communities. Many Canadian museums have developed social programs meant to engage the public in positive and innovative ways.

Canadians in turn have responded by making museums and art galleries popular destinations for all ages, in all parts of the country. Canadian museums and art galleries retain their popularity through the development of a variety of programmes, exhibitions and services. As centres of lifelong learning, they are valuable resources in the research, preservation and interpretation of Canada's heritage.

The economic and social impact of museums in Canada is enormous.

But beyond their direct impact, museums contribute to an innovative and productive economy because, at its root, increasing productivity is about people: people making the right investment, research, hiring, location and other key decisions and people attracting the right talent.

Accordingly, Canadian museums help people and businesses be more productive by fostering ideal communities, an inclusive workforce, and innovative individuals.

## Ideal communities

Ideal communities attract businesses that make Canada's economy grow and attract the right talent to increase productivity and competitiveness. Museums, including art galleries, play a role in these ideal communities. For example:

- In the Heritage section of the Government of Manitoba discussion paper on cultural policy: *“There are many understood benefits to our province including the contribution of heritage resources to community quality of life, sense of identity, and unique character. These factors help sustain and grow economic development by increasing the attractiveness of a community to business, residents and tourism.”*<sup>1</sup>
- A 2017 Nanos survey for the Ontario Arts Council shows that four in five Ontarians agree (strongly or somewhat) that an active local arts scene helps communities attract businesses.<sup>2</sup>

## Inclusive workforce

A more inclusive workforce is an important factor in increasing Canada's competitiveness. Here are three areas in which museum contribute to that objective:

### Youth employment

The CMA administers, for the Department of Canadian Heritage, a component of the Young Canada Works program to help prepare the next generation of Canadians working in the heritage sector. This program has been a remarkable success by all evaluations.

### Engaging Indigenous People

The Advisory Council on Economic Growth, in its February 2017 report to the Minister of Finance, stated that: *“Engaging more Indigenous People in the workforce is a fundamental imperative for inclusive growth, and would not only boost economic outcomes for the nearly 1.5 million Canadians with Indigenous identities but also spur economic opportunities and raise living standards for all Canadians.”*<sup>3</sup>

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<sup>1</sup> Government of Manitoba, *Imagine Creative Manitoba! 2017 Discussion Paper*, p. 56, <http://www.manitoba.ca/imaginecreative/discussion-paper.html>

<sup>2</sup> Nanos and Ontario Arts Council, *Impressions of the impact of the arts on quality of life and well-being in Ontario*, March 2017, <http://www.nanosresearch.com/sites/default/files/POLNAT-S15-T746.pdf>

<sup>3</sup> Advisory Council on Economic Growth, *Tapping Economic Potential Through Broader Workforce Participation*, February 6, 2017, p. 2

Reconciliation will play a large part in engaging more Indigenous People in the workforce and museums have an important role to play in reconciliation, as underlined by the Truth and Reconciliation Commission. The CMA has an important project underway in this regard.

### **Increased immigration**

In its October 2016 set of reports, the Council addressed immigration, saying: “*The benefits to Canada from increasing immigration are many. (...) an increased immigrant population has positive implications for business and job creation for Canadians through entrepreneurship and innovation, international trade, and if done right, can raise living standards for all Canadians.*”<sup>4</sup>

Museums help to “do it right” by fostering a better understanding of Canadian life and its history (as recognized by the Institute for Canadian Citizenship, which offers the Cultural Access Pass, providing to new Canadians free admission for a year to museums, art galleries, science centres, and more). The Nanos survey showed that arts experiences help to bring people from diverse backgrounds together as a community and that the arts help us to understand other cultures better.<sup>5</sup>

### **Innovative individuals**

Science museums and those that feature the work of innovators (e.g. Musée de l’ingéniosité J. Armand Bombardier) help to stimulate the interest of youth for science and innovation.

In addition to this role by certain museums, research is beginning to show other less obvious contributions to forming innovative individuals. For example, Laura Niemi, using the U.S. National Longitudinal Survey of Youth 1979, looked at those who had reported in 1994 (in their early thirties) interest in visual arts, music, and literature and then at those who reported in 2010 having ever owned a business, applied for a patent, or considered themselves to be an entrepreneur. The results showed that an interest specifically in visual arts was a significant predictor of the indicators of innovation at work: “*This suggests that there is something about a love of art—beyond shared personality characteristics or associated intellectual and educational factors—that seems important to being a contributor to economic vitality and innovation in the United States workforce.*”<sup>6</sup>

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<sup>4</sup> Advisory Council on Economic Growth, *Attracting the Talent Canada Needs Through Immigration*, October 20, 2016, p. 4

<sup>5</sup> Nanos, op.cit., p.3

<sup>6</sup> Laura Niemi, *The Arts & Economic Vitality: Relationships Between the Arts, Entrepreneurship & Innovation in the Workplace*, Research Report from a National Endowment for the Arts grant, 2014, p. 21. She was then a Ph.D. student at Boston College and will be Assistant Professor at the University of Toronto next year.

## Recommendations

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Given the contribution of museums and art galleries to an environment that fosters increased productivity, the CMA recommends three measures to help ensure the survival, and the growth, of museums so that they contribute to an innovative, inclusive, and productive society.

### 1. Review and increased funding of the Canadian Heritage programs for museums

There is a lack of an over-arching vision for museums in Canada. Our country's current National Museum Policy, established in 1972, was last reviewed in 1990. The federal government offers support to Canada's museums and heritage organizations through a variety of important although very modest funding programs. These programs are extremely important for the recipients, yet they have been subject to many cuts over the years. They are difficult to access and no longer meet the needs of today's museum community.

For example, the Museums Assistance Program (MAP) was created in 1972 with a total annual allocation of \$7 million for grants to fund projects at non-federal museums. Based on inflation, this investment would be equivalent to over \$38 million at today's value. MAP's current allocation is only \$6.5 million per year. This neglect is a national disgrace. Canadians deserve better.

MAP is a valued program which supports exhibitions, conservation and preservation work, educational programs, and staff training at museums. It is also important to understand that in 1972, there were about 500 museums in Canada, whereas today Canada counts more than 2,600 museums. Clearly the vast majority do not receive any federal assistance. This is a further indication of the erosion of this program.

It should also be noted that MAP includes a special component for aboriginal cultural heritage support; this will be increasingly important as the calls for action of *Truth and Reconciliation Commission* are implemented and as indigenous culture and creativity begins to flourish again.

**We recommend that the 2018 budget call for a review of these programs with a new vision – to modernize them – and restore funding for MAP by at least progressively adding a percentage of the inflationary adjustment from 1972 dollars to current dollars, namely to \$38 million, if not more.**

## 2. Employment

In June 2017, the CMA received \$3.3 million in additional funds for the Young Canada Works program, but only for one year. This has allowed the CMA to better address the previously unmet demand but demand for creating new jobs exceeds these funds and we face many lost opportunities for young people.

**We recommend that this level of funding be further increased in the 2018 budget.**

In addition to youth employment, museums can be effective in the engagement, training, and inclusion of immigrants, indigenous people, and other minorities. Museums offer exceptional opportunities in exhibition construction, research, public affairs, consultation skills, marketing, commercial development, etc.

## 3. The Canadians Supporting Their Museums Fund

Museums are increasingly diversifying their sources of income (e.g. admission fees, store sales, rentals, sponsorships). However, donations have not increased significantly other than for major capital campaigns. This is due to lack of fundraising expertise and heavy competition from more sophisticated charities. At the same time, experience shows that matching-donation programs are a powerful incentive. In this regard, a professional survey of Canadians' attitudes towards museums revealed that:

- 45% of Canadians would be more likely to make donations if there was a matching plan;
- 70% of existing donors would give more;
- 35% of those who have never given would make a first-time donation to museums<sup>7</sup>.

**The CMA proposes that the Government of Canada create *the Canadians Supporting Their Museums Fund*, a five-year initiative to increase donations from individuals and corporations enabling museums and heritage organizations to become more self-sustaining.**

The fund would match private sector donations dollar-for-dollar in contributing to a museum's endowment or directly to short term projects. The fund would require \$50 million per year and would be designed to be equitable for museums and heritage organizations of different sizes.

The objective would be to increase the percentage of museums' operating budgets that comes from donations from 9% to 15-20%. Museums and heritage organizations would determine

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<sup>7</sup> Innovative Research Group, *CMA Public Opinion Survey on Canadian Attitudes to Museums and Federal Policy*

their priorities but would have to include a fundraising plan in their application.

As an example of such a program, the Québec Ministère de la culture et des communications announced in April that it was doubling to \$10 million for 2017 the matching funds available through Mécénat Placements Culture. This program includes a component for endowments and a component for short term use of funds.

## CONCLUSION

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We thank the Standing Committee on Finance for this opportunity and for considering our recommendations.

Including a review and increased funding of the Canadian Heritage programs for museums, increasing the funding for Young Canada Works programs for museums, and creating the *Canadians Supporting Their Museums Fund* will help people and businesses be more productive by fostering ideal communities, an inclusive workforce, and innovative individuals.

For more information:

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