Brock University

Niagara Community Observatory

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By Charles Conteh and Carol Phillips

MEASURING CULTURE IN NIAGARA: A CASE FOR ITS ROLE IN THE ECONOMY AND COMMUNITY

INTRODUCTION

One central element of any region's global appeal is its quality of place. While this term is often understood to refer to the environmental integrity and natural beauty of a place, including its green spaces, waterfronts and biodiversity, an even more important dimension is the critical mass of cultural activities that make up the life, outlook, creativity and ethos of a community. In this regard, there is an inextricable link between culture and tourism to the extent that the amenities that appeal to tourists are often a function of a region's density of cultural assets, such as performing arts, spectator sports, heritage amenities, amusement and recreation activities.

In addition to the physical iconic landmarks, Niagara has managed to carve a world-renown niche for its festivals, special events and amenities that together help attract 12.9 million tourists from around the globe each year. Thus, the culture sector is invaluable in Niagara not only for its connection to direct tourism spending of $2.4 billion annually but also in its indirect effects on projecting Niagara's overall sociocultural ethos and local creativity. If tourism in Niagara is big business, then the plethora of cultural activities that help to strengthen that pillar require a closer and more systematic evaluation.

Niagara has made impressive strides over the past decade to radically alter its cultural façade and ambiance, such as the new sports and performing arts facilities that now anchor the inner-city landscape of St. Catharines, and Brock University's Marilyn I. Walker School for Performing Arts, a 97,000 square-foot building in the core. In this regard, Niagara is gradually putting together some of the building blocks to support its nascent creative and knowledge-based economy.

The significance of the cultural sector is further underscored by the fact that a region's plethora of cultural activities and assets are an intrinsic part of the architecture of its place brand that serves as a magnet for new talent and investment attraction. For instance, several studies have demonstrated that young, educated and creative talents are drawn to places with vibrant cultural amenities.

In the quintessential debate about whether people follow jobs or do jobs follow people, a growing body of literature has demonstrated that the latter is increasingly the case in the emergent creative and knowledge-driven economy.

This argument holds that the flow of highly skilled knowledge workers to a region is largely a function of that region's distribution of cultural amenities, as well as other related usual concerns like benign climate, safety from crime, and strong transportation infrastructure. In this regard, the importance of lifestyle in the form of entertainment, night-life, and culture can hardly be over-stated, when understanding the pull-factors for this age demographic.

Banner photo courtesy of Robert Nowell, Niagara Symphony Orchestra photographer
Photo (right) courtesy Christina Restoule and G'Chimnissing News

BACKGROUND & PURPOSE

In July 2013, the Niagara Region's Integrated Community Planning Committee received a consultant's report on the economic assessment of the culture sector in Niagara. The objectives of the project had been to: assess the culture sector's impact on the local economy, measure and promote its economic vitality, encourage its growth to support economic prosperity, and develop a user-friendly framework to update and track data in the coming years as well as help groups within the sector develop their own metrics. It used online surveys targeted at the sector, workshops and "community engagement sessions", as well as 2011 data from Statistics Canada. It determined there were 13,088 jobs in the sector (FTE), generating $396.3 million in labour income and a Gross Regional Product of $595.2 million.

This policy brief seeks to update the research from the 2013 consultants report on the impact of the culture sector in Niagara. Do the numbers still hold up? How have they changed? This information can then be used to build a case for (or against) establishing the local culture sector as an important stronghold in an economic development strategy due to its importance not only in employment numbers, but also in how it contributes to the ever-important tourism industry and to the overall economy. In light of the above, this policy brief seeks an answer to the following question: What is the economic impact of the culture sector in Niagara?

METHOD

We look at the data currently available to determine culture's economic impact on Niagara, using the prescribed North American Industry Classification System (NAICS) codes. These databases include occupation tables for Niagara, taken from Statistics Canada using National Occupational Classification (NOC) codes, culture business counts from Statistics Canada that measure the number of businesses in Niagara and how large they are in terms of employment, industry tables from EMSI Analyst, which are derived from Statistics Canada and other federal databases, and the Niagara Employer Inventory compiled by Niagara Region. Through these databases, we have sourced the following information for Niagara:

- number of jobs in each industry within the culture sector and changes from 2013 to 2018
- number of Niagara businesses in the culture sector, employers and non-employers (single workers/self-employed)
- size of Niagara businesses in the culture sector, based on how many people they employ
- number of businesses in the culture sector by area municipality, employers and non-employers
- median hourly wage in the sector

The 2013 report identified eight NAICS codes (at the three-digit level) which effectively allow us to determine which industry activities are defined as belonging to the culture sector. NAICS codes allow us to track these activities through the aforementioned databases. The more digits in the code, the more detail on the type of industry activity. For example, NAICS code 713 identifies businesses in the amusement, gambling, and recreation industries. However, at four digits we can more precisely divvy them up allowing us to exclude NAICS code 7132 (gambling) from the culture impact report. More detailed NAICS codes will also allow us to track the impact of sports-related activities versus the performing arts, etc.

CULTURE AND TOURISM

Tourism has been identified as a pillar of economic development for the Niagara Region. Cultural businesses contribute to the success of a region's tourism industry as well as provide residents the amenities that improve quality of life and make the area a more attractive place to live. For example, we know that in 2017 there were 525,000 visits to our historic sites (heritage institutions) by Canadian tourists; that 288,000 Canadian visitors came to Niagara to attend a performance of some kind; 170,000 came for sporting events; and 162,000 visited a museum or art gallery (Niagara Tourism Profile, 2019).

Both culture and tourism are cross-sectoral industries which are not identified by their own specific NAICS code – that is, they can fall under numerous classifications ranging from food and beverage, to rail transportation. Industry Canada (2015) identified 32 codes

Defining the Culture Industry through the North American Industry Classification System (NAICS)

For consistency, we use the NAICS codes determined in the 2013 report to track the impact of culture in Niagara. The following codes will be used:

711 – performing arts, spectator sports, and related industries
712 – heritage institutions
713 – amusement, gambling and recreation industries (isolating 7132 – gambling)
511 – publishing industries (except Internet)
512 – motion picture and sound recording industries
515 – broadcasting (except Internet)
519 – other information services (including libraries, archives, and Internet*)
* NAICS codes 516 was in the 2013 report as Internet publishing and broadcasting

as belonging to the tourism industry. **Of those, four of our identified culture codes were included as a measure of the tourism industry – 711, 712, 713, and a subsector of 512 (motion picture and video exhibition).**

RESULTS & ANALYSIS

JOB NUMBERS IN THE CULTURE SECTOR

Table 1 gives us a picture of jobs in Niagara's culture sector from 2013 to 2018. Although we are not using gambling as part of our culture definition, we did include it in this table for illustrative purposes. It is worth noting that the performing arts, spectator sports and related industries classification has outpaced all others as the strongest in the constellation of industries that make up culture. Over this five-year period, more than 1,000 jobs have been created in the industry, rising to 2,759 jobs in 2018. This number includes independent artists such as visual artists and artisans, writers, and performers. In Table 1 we break this number down further to better see where the changes are happening: substantial job increases have come in all of its subsectors, notably with independent writers, artists, and performers (425 new jobs or an 81-per-cent increase) and with performing arts companies (315 new jobs, 54-per-cent increase).

Photo courtesy Lakeside Pottery

While jobs in the amusement, gambling, and recreation industry appear stagnant, breaking it down allows for a better understanding of the changes. There were sizable increases in jobs for the amusement park and arcades subsector, which grew 114 per cent to 605 jobs in 2018; and the combined set of residual activities grouped under other amusement and recreation industries (including marinas, golf courses, bowling alleys and fitness clubs), which grew 43 per cent in five years to 2,651 jobs. It was the losses in the gambling industry that brought down the overall numbers, a rather remarkable drop of more than 1,000 jobs.

Publishing industries (without the Internet) also took a hit, losing 128 jobs over those five years (a 20-per-cent decline). One interesting trend is the more-than-two-fold increase in jobs in the motion picture and sound recording industry. While its overall employment number of 738 jobs is modest, that is a 107-per-cent increase of 383 jobs since 2013.

Table 1 also highlights the industries that are included in Industry Canada's definition of tourism, included to illustrate the job impact that culture has on such a central component of Niagara's economy.

Table 1: Jobs by Industry

Description	2013 Jobs	2018 Jobs	% change
511 - Publishing industries (except Internet)	633	505	-20%
512 - Motion picture and sound recording industries	355	738	107%
515 - Broadcasting (except Internet)	102	101	0
519 - Other information services	409	410	0
711- Performing arts, spectator sports and related industries	**1,580**	**2,759**	75%
Performing arts companies (7111)	581	896	54%
Spectator sports (7112)	308	546	78%
Promoters (7113)	161	305	89%
Agents and managers (7114)	Less than 10	64	54%
Independent writers, artists, and performers (7115)	524	949	81%
712- Heritage institutions	928	1,012	9%
713 - Amusement, gambling and recreation	**5,237**	**5,266**	0.5%
Amusement parks and arcades (7131)	282	605	114%
Gambling industries (7132)	3,106	2,011	-35%
Other amusement and recreation industries* (7139)	1,849	2,651	43%

* NAICS code 7139 includes marinas, golf courses, bowling alleys, and fitness clubs

NOTE: lines highlighted indicate their inclusion in the tourism industry (there is also a very small subsector of 512 that includes movie theatres and occasional video exhibition services such as film festivals.)

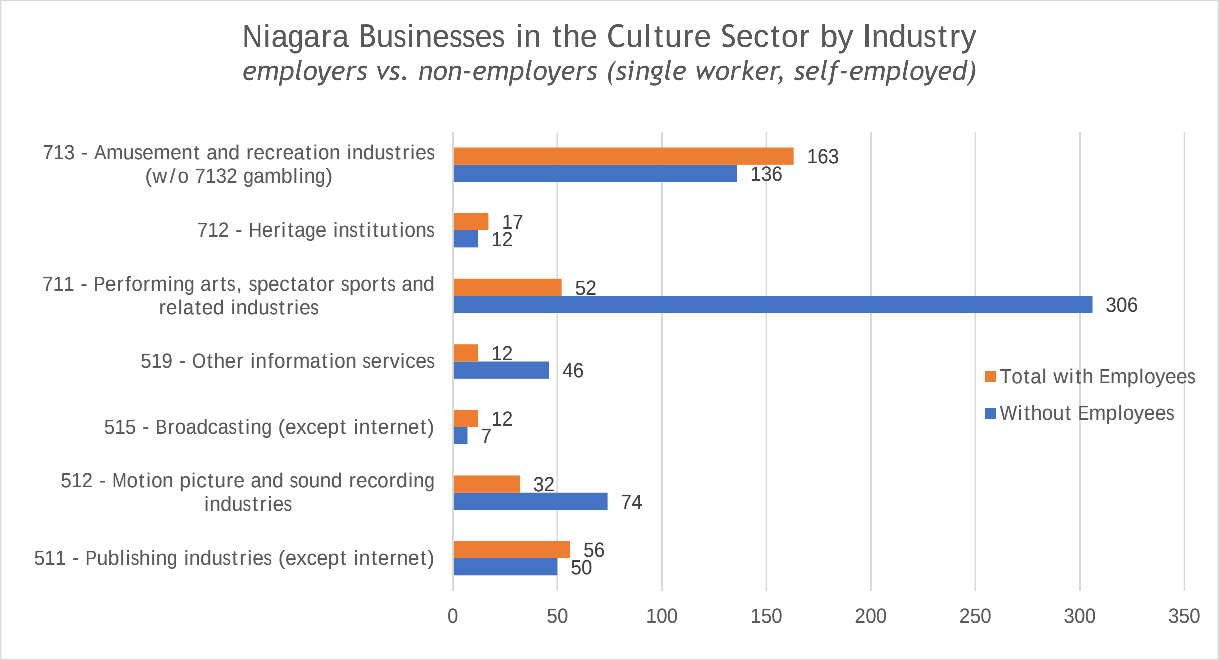
CULTURE BUSINESS COUNTS, EMPLOYERS VS NON-EMPLOYERS

Figure 1 presents an industry lens on Niagara businesses in the culture sector, illustrating the number of culture businesses in Niagara with employees against those without employees (single worker, self-employed). The performing arts, spectator sports and related industries classification may have the highest number of actual businesses, followed by amusement, and recreation industries. However, it is the latter classification that has consistently employed more people over the five-year period covered in this study.

The reason is embedded in the figures. **The vast majority of businesses in the performing arts, spectator sports and related industries are single worker or self-employed.** Anecdotally, this would make sense since individuals (such as actors or managers) that operate in this industry tend to be self-employed, marketing their talent under the banner of a distinct business enterprise.

Figure 2 provides a picture of the size of businesses in Niagara's culture sector, based on employment. As the table indicates, there are nearly 631 businesses without any employees (the single worker/self-employed) and about 344 businesses with employees. The majority of businesses in the culture sector are very small, reporting between 1 to 4 workers. Of the 344 businesses with employees, only 12 enterprises in total have more than 100 people working for them. In short, as with other sectors in Niagara's economy, small-to-medium-sized enterprises (SMEs) make up the vast majority of businesses.

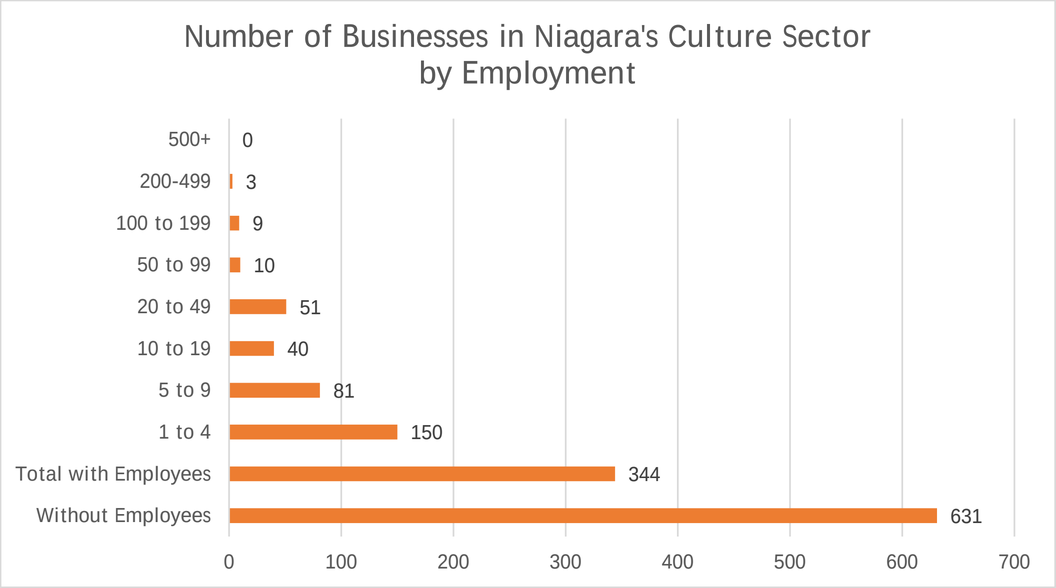
Figure 1 Business Counts by Industry, Employers vs. Non-Employers



Source: Emsi 2018.1

There are strengths and weaknesses that come with such structure of enterprise and employment. On the one hand, it demonstrates an active and vibrant pool of cultural talents exhibiting entrepreneurial spirit in establishing and running their own businesses. On the other hand, however, it reflects a high degree of income vulnerability in a sector where such high degree of self-employment may mask the reality of low income, part-time, and seasonal jobs in the culture sector. A deeper probe with a more qualitative methodology targeting participants in this sector might shed greater light on these issues.

Figure 2 Culture Business Counts by Employment Size

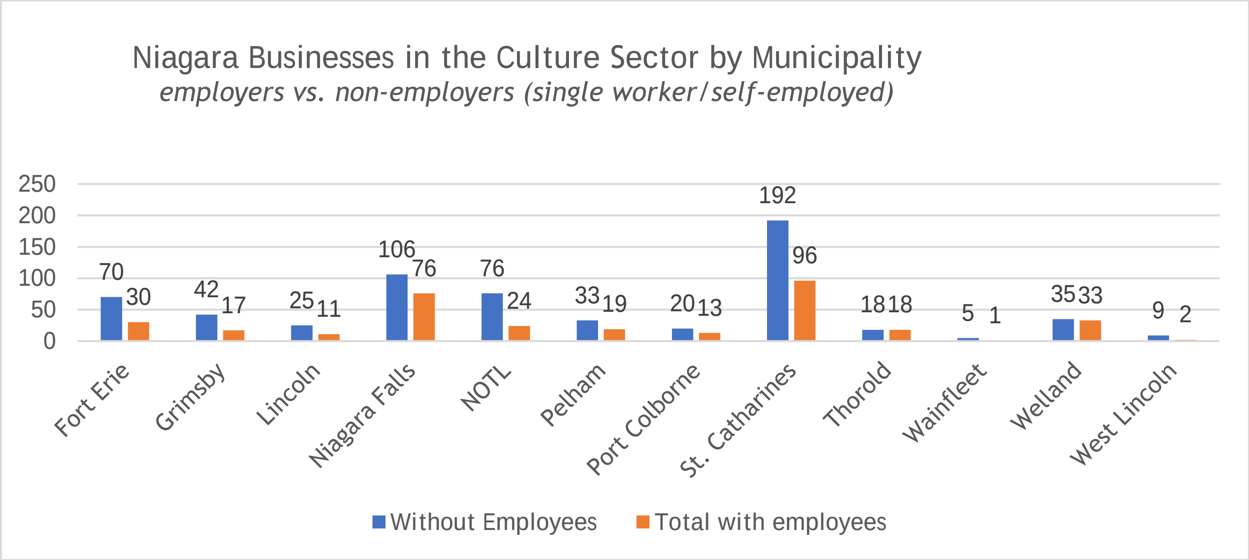


Source: Statistics Canada, Canadian Business Counts, 2018

MUNICIPAL BUSINESS COUNTS IN CULTURE

Figure 3 illustrates the number of culture-sector businesses in each of Niagara's municipalities, comparing those with and without employees. Those without employees consist of a single worker or self-employed owner. Not surprisingly, given the sheer size of its population relative to other municipalities, St Catharines has the largest number of businesses in the culture sector, boasting nearly 300 enterprises. It is followed by Niagara Falls with 182 businesses, and Niagara-on-the-Lake and Fort Erie each with 100 businesses. Wainfleet and West Lincoln report the least number of businesses in this sector.

Figure 3 Culture Business Counts by Municipality, Employers vs. Non-Employers



Source: Statistics Canada, Canadian Business Counts, 2018

MEDIAN WAGES

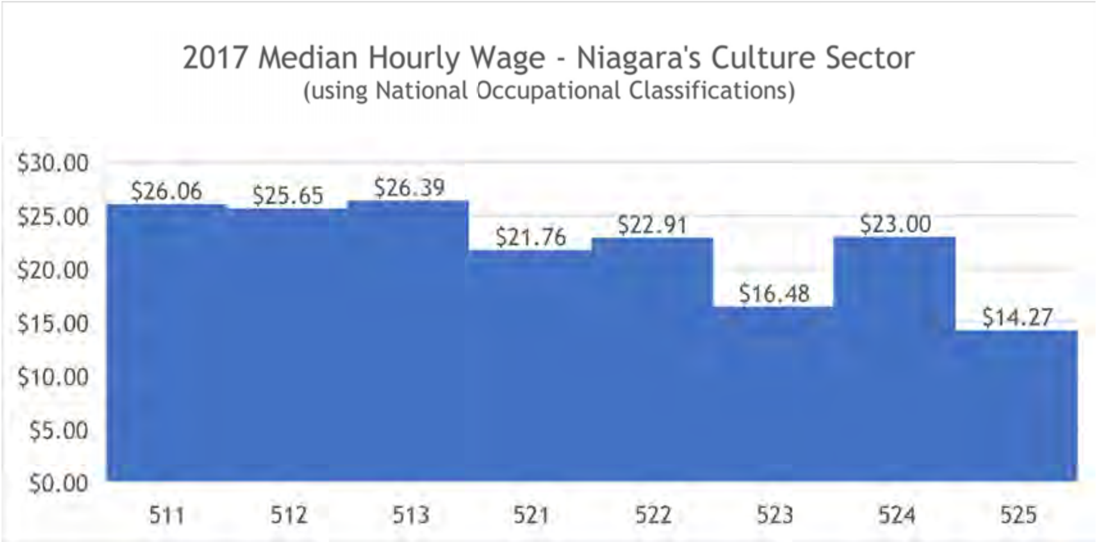
Both **Table 3** and **Figure 4** use the National Occupational Classification codes to compare the median hourly wage for jobs in Niagara's culture sector for the year 2017. Topping the chart is creative and performing artists who made $26.39 an hour. This was closely followed by librarians, archivists, conservators and curators, earning an average of $26.06 an hour. The classification of writing, translating and related communications professionals held an average of $25.65 an hour while the lowest paid are athletes, coaches, referees and related occupations making $14.27 an hour. While anecdotally this particular occupation group is filled with part-time, piecemeal, and young workers (and often used as a second source of income), this figure should raise some concern and provoke further discussions about the implications of such a pay scale for the viability of the sports sector in the region and the role of volunteers.

Table 3 Median Wage by National Occupations Classification Codes, Culture

NOC	Description	2017 Median Hourly Salary
511	Librarians, archivists, conservators and curators	$26.06
512	Writing, translating and related communications professionals	$25.65
513	Creative and performing artists	$26.39
521	Technical occupations in libraries, public archives, museums and art galleries	$21.76
522	Photographers, graphic arts technicians and technical and co-ordinating occupations in motion pictures, broadcasting and the performing arts	$22.91
523	Announcers and other performers, n.e.c.	$16.48
524	Creative designers and craftspersons	$23.00
525	Athletes, coaches, referees and related occupations	$14.27

Source: Emsi 2018.1
n.e.c. - not elsewhere classified

Figure 4



Source: Emsi 2018.1

DISCUSSION AND CONCLUSION

The cultural sector is a critical piece of the region's much touted economic revitalization, not only because of its role in the tourism industry. It is now a well-known fact that resilient and adaptive regions in the knowledge-based economy of the 21st century have a robust downtown core with complementary clusters of cultural amenities and economic activities. For a mid-sized region like Niagara without the economic gravitas or density of major city-regions like Toronto or Vancouver, its next best strategy is to appeal to "soft power" by projecting the "cool factor" of its cultural assets and amenities.

For Niagara, this is not just about iconic images like the Falls, wineries, escarpment and the region's overall breathtaking natural ambiance, but also about leveraging its legitimate claim to "hip buzz" as embodied in its wealth of cultural activities in the performing arts, spectator sports, heritage amenities, amusement and recreation activities.

The culture sector should be understood well beyond the direct economic benefits widely associated with the creative economy. It also indirectly impacts on nurturing an ecosystem of inclusivity and respect for diversity. Diverse and inclusive places have been correlated with greater dynamism and adaptability in an era of global breakneck socioeconomic change. The culture sector and its intrinsic appeal to the young, educated and creative demographic means that it serves as a critical conduit to higher levels of openness, diversity and adaptability (Jacobs 1961; Beckstead and Brown 2003).In this regard, the culture sector forms the bedrock of a region's economic, social and environmental resilience by injecting the requisite attitudes and ethos that position a place to fully leverage new ideas and embrace new ways of seeing and being.

POTENTIAL NEXT STEPS

So, what does this all mean? The critical next action step for the region would be to take a proper stock of its cultural assets and to establish robust links between this sector and the wider creative economy. This would involve identifying the depth of the informal dimension of the cultural sector because it appears that most of the talents in this sector tend to be part-time and seasonal. What support systems might position them to scale up their activities and enter more fully into the formal economy?

Another related action step is to map upstream investment activities between the culture sector, tourism and the region's nascent knowledge economy. Brock University and Niagara College are pumping out steady streams of freshly minted brains with the potential to put this region on a global map of the new economy. But these young graduates are also known to possess nimble feet and restless minds that make them a difficult bunch to retain in one place for a long time. They need to be convinced that Niagara is the place to be. They need to see not only that their talents and energy will find full expression within Niagara but also that it is a region where they can dream of living, playing and raising their kids.

In closing, Niagara needs to identify critical success factors that will guide policy deliberations about identifying new pathways for the culture sector as a respected bedrock of both the tourism industry and the emergent creative economy. Support for sustainable creative enterprise development could take many self-employed or single-employer enterprises to new levels. Creating new opportunities for cultural entrepreneurs in business administration and social networking is a critical piece of cultivating this sector as part of Niagara's broader strategy of nurturing an ecosystem of learning and innovation, talent attraction and business scale-ups. Underlying all of this is a thrust towards mainstreaming culture into Niagara's economic and social development strategy.

About the authors: Charles Conteh, PhD, is director of the Niagara Community Observatory at Brock University and an associate professor of political science.

Carol Phillips, PhD, is research coordinator of the Niagara Community Observatory at Brock University.

The Niagara Community Observatory at Brock University is a public-policy think-tank working in partnership with the Niagara community to foster, produce, and disseminate research on current and emerging local issues. More information on our office, and an electronic copy of this report, can be found on our website brocku.ca/nco

Contact Information:
Charles Conteh, PhD
Director, NCO, Brock University
cconteh@brocku.ca

Brock University
Niagara Region
1812 Sir Isaac Brock Way
St. Catharines, ON, L2S 3A1 Canada

brocku.ca/nco
@BrockNCO