London Cultural Profile:
Economic Impact of the City of London’s Cultural Sector

Sierra Planning and Management
Agenda

1. Introductions
2. Project Objectives & Approach
3. Methodology & Overview of Scope
4. Culture: Range and Scope of Analysis
5. Results
6. Interpretation
Objectives & Approach
Objective: To conduct an economic contribution analysis of the cultural sector, for the primary purpose of generating a dollar value of the direct economic contribution of the defined cultural sector for the City of London;

Approach:
- Engage City staff and other stakeholders in a ‘drill down’ of culture industry economic ‘throughput’;
- To develop an appropriate Economic Impact Model;
- Analysis focuses on operational activity. We are generally not addressing capital – should do as a forward exercise.
Methodology & Overview of Scope
Overview of Scope of Analysis:
This assessment of the direct/local impact of culture, addressed:

- Workforce, employment and income in the City’s cultural sector;
- Revenues and expenditures generated by cultural businesses and organizations;
- Public spending and investment in cultural programs, services and facilities;
- Operational spending in cultural education; and
- Cultural tourism.
Culture: Range & Scope of Analysis
Culture: Range & Scope of Analysis

Statistics Canada 2006 Census Data:
- Place of Work by National Occupational Classification (NOC-S);
- Place of Residence by NOC-S.
POR data indicates city residents with cultural occupations generated around **$309,137,952** in income.

### Number of London Residents in Cultural Labour Force (POR 2006)

<table>
<thead>
<tr>
<th>Type of Occupation</th>
<th>London CMA</th>
<th>City of London</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Occupations</td>
<td>9,030</td>
<td>7,445</td>
</tr>
</tbody>
</table>

### Labour Force in the City based on 2006 POR Data

- **Cultural Occupations for the City of London:** 3.9%
- **Total Occupations for the City of London:** 96.1%

Source: Statistics Canada 2006 Census
Culture: Jobs (Direct Only)

POW data indicates persons employed in cultural industries generated around **$328,250,524 in income** in 2006.

Number of People employed in the Cultural Sector (POW 2006)

- **8,345** Cultural Occupations for London CMA
- **7,355** Cultural Occupations for the City of London

Jobs in the City of London based on 2006 POW Data

- Cultural Occupations for the City of London: 4.2%
- Total Occupations for the City of London: 95.8%

Source: Statistics Canada 2006 Census
Comparison of the 2006 POR and POW data shows the number of cultural jobs in the City was at parity with its cultural labour force.
Inclusion of Western Fair and the LCC increase this figure to over $80 million;

5 of London’s popular performance spaces (out of 13) generated almost $25 million in revenues in 2011;

Figures reflect operating revenues only; and

Figures reflect a subset of buildings in the City.

Private and public buildings generated around $60 million in 2011.
Culture: Range & Scope of Analysis

Culture: Private and Public

BUSINESS, GOVERNMENT AND EDUCATION

- Private Business in Cultural Industries
- Gov’t (Municipal) Providers of Cultural Services/Funding/Employment
- Educational Institutions and Other Organizations
CBP shows there were **over 1200 arts and culture businesses** in the City of London in 2011.

Only **562** had determinable employment numbers;

Total employment was estimated at **7,703** in 2011;

Estimated total of **$329,705,349** in wages and salaries in 2011.

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**Culture: Establishments**

**Total Employment by Cultural Industry Category (CBP 2011)**

- Architecture
- Graphic Design
- Interior Design
- Newspaper Publishing
- Periodical Publishing
- Communications Media
- Electronic Arts
- Design/Civic Arts
- Visual Arts
- Crafts
- Literary Arts
- Performing Arts
- Festivals & Events
- Heritage

*Source: Statistics Canada 2011 Canadian Business Patterns Data*
Culture: Range & Scope of Analysis

City of London:
- Operating Budget for Culture: $21,619,000
- Capital Budget for Culture: $2,107,000

In 2011 the City allocated $2M to arts, culture and heritage advisory and funding activities – mostly to Community Arts Investment Program (CAIP) I & II.
In 2010, the London Arts Council (LAC) disbursed $200,000 CAIP II grants to support 46 arts organizations/projects which collectively had $4 million in revenues; and

In 2010, the London Heritage Council (LHC) disbursed $75,000 in Community Heritage Investment Program (CHIP) grants to 15 organizations/projects which collectively had $240,000 in revenues.

Volunteerism:

Estimated LAC and LHC supported organizations which had 3,500 volunteers working a total 108,000 volunteer hours in 2010;

Volunteers estimated to have contributed in-kind work valued at around $1.2 million.
University of Western Ontario (UWO) and Fanshawe College offer an extensive range of arts and culture programs;

- UWO and Fanshawe generated some **$60 million** in revenue from arts programming in 2011;

- Over 6,000 students enrolled in art and cultural programming (multi-media design, broadcast television etc.) across these institutions.
Culture: Cultural Tourism

- Annual Recurring (Operational Revenues/Expenses)
- Market Draw (Participant Profile)

Events, Festivals and Tourism

- 4,927,000 visitors to the London CMA in 2009 (latest available OMTCS Regional Tourism Profiles);
- 550,000 visitors engaged in cultural activities during their visit;
- Visitors generated $20M in direct ticket sales for cultural activities;
- Marginal increase (0.8%) in visitor spending on culture and recreational activity in 2010 (Tourism London & CTRI (2011) Economic Impact Analysis of Tourism in the City of London).
Culture: Range & Scope of Analysis

Culture: Tourism

Trip Activities of Visitors to the London CMA in 2009

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total Visits (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Outdoor/Sports Activity</td>
<td>456</td>
</tr>
<tr>
<td>Sports Events</td>
<td>228</td>
</tr>
<tr>
<td>Natl/Prov Nature Parks</td>
<td>152</td>
</tr>
<tr>
<td>Cultural Perform.</td>
<td>131</td>
</tr>
<tr>
<td>Historic Sites</td>
<td>102</td>
</tr>
<tr>
<td>Festivals/Fairs</td>
<td>72</td>
</tr>
<tr>
<td>Museums/Art Galleries</td>
<td>92</td>
</tr>
<tr>
<td>Casinos</td>
<td>43</td>
</tr>
<tr>
<td>Theme Parks</td>
<td>37</td>
</tr>
<tr>
<td>Zoos/Aquariums</td>
<td>27</td>
</tr>
<tr>
<td>Cultural Activities (Total)</td>
<td>550</td>
</tr>
<tr>
<td>Sporting Activities (Total)</td>
<td>684</td>
</tr>
</tbody>
</table>

Source: 2009 OMTCS Regional Tourism Profiles
Results
Direct employment in City (7,703 jobs) (2011 CBP data)

Indirect Impact:
Rest of Ontario (2,752 jobs)

Indirect Employment Out of Province (359 jobs)

- 88% of cultural jobs in the London CMA were located within the City (POW 2006);

- An estimated 7,703 cultural jobs were in the City of London in 2011 (CBP data) – contributing to a multiplier impact of just over 3,100 jobs outside of the City.

Using GDP multipliers from 2008 Input-Output tables (Statistics Canada), estimates of indirect additional income to the Province and Canada were calculated.
Income generation can provide a measure of Gross Domestic Product (GDP).

Cultural establishments estimated to have contributed $329,705,349 in wages and salaries in 2011 (CBP data).

Direct in GDP: City ($329,705,349)

Indirect Impact: Rest of Ontario ($196,345,026)

Indirect Impact: Out of Province ($29,500,544)

Total GDP Impacts from identified cultural sectors was an estimated $555,550,920 (based on 2011 CBP data).
Contributions from cross-section of performance and event spaces and other select venues generated $57,825,926 in direct contribution to the City’s economy in 2011.

This excludes the wider impact of this spending e.g. food and beverage, accommodations and transportation.

Direct GDP Impact: City ($29,731,548)
Indirect Impact: Rest of Ontario ($17,705,632)
Indirect Impact: Out of Province ($2,660,245)

Beyond direct spending on cultural activities, the broader estimate of direct spending in the London economy (including transportation, accommodations etc.) is estimated to be $70+ million.

Total GDP Impact in Province was an estimated $57,424,115 in 2011.

- Direct GDP Impact: City ($35,990,921)
- Indirect GDP Impact: Rest of Ontario ($21,433,193)
- Indirect GDP Impact: Out of Province ($3,220,305)
Post Secondary Contributions: GDP Impact

- UWO and Fanshawe generated some $60 million in revenue from arts programming in 2011;
- Total GDP Impact in Province was an estimated $47,627,007 in 2011.
Interpretation
Direct Contributions

Direct Contribution of the Cultural Sector (Excluding Capital)

Business (Estimated Income) (2011) $330 million
(London CMA: $370-$400+ million)

Cultural Tourism $70 million+

Selected Venues $60 million

Education $58 million

City (Operating Budget as of 2011) $22 million

Total: $540 million (DIRECT)

Interpretation of Results
The implications of the estimate in comparative terms are as follows:

- The **direct contribution of the cultural sector in the City** is $1,475 Per Capita;
- The **direct contribution of the cultural sector in the London CMA** is potentially $1,222 to $1,285 Per Capita; and
- The **City of London spent $60 Per Capita on culture in 2011**. While this figure varies significantly between municipalities, the estimate is not inconsistent with a number of other jurisdictions.
## Interpretation of Results

### Comparison of Economic Contributions for Cultural Sectors in the City of London (Present Study) and Select Areas of Ontario

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<tbody>
<tr>
<td><strong>$540 Million</strong></td>
<td><strong>$580 Million (Direct contribution)</strong></td>
<td><strong>$9 Billion (GDP estimate)</strong></td>
<td><strong>$1.98 Billion (GDP estimate)</strong></td>
</tr>
<tr>
<td><strong>$1,475 Per Capita</strong></td>
<td><strong>$1,222 Per Capita</strong></td>
<td><strong>$3,595 per capita</strong></td>
<td><strong>$1,751 per capita</strong></td>
</tr>
</tbody>
</table>

By comparison, London had a higher concentration of cultural jobs (4.2% POW) than the Canadian average (3.3%) in 2006; and

The City ranked reasonably well against some of Canada’s large cities e.g. Calgary at 3.6%.

Interpretation of Results

- The estimate is a general statement of contribution based on available information;

- The estimated income of the defined businesses is only part of the direct economic contribution of cultural activities to the City; and

- This analysis focuses on operational activity and does not assess the impact of capital investment/costs.