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**The impact of the culture sector on the Canadian economy**

by **Vik Singh**

This article has been adapted from *Economic Contribution of Culture in Canada*, published in the Culture, Tourism and the Centre for Education Statistics research paper series. This version has been updated with 2002 data. The original document is available from the Statistics Canada website at <http://dissemination.statcan.ca:8083/english/research/81-595-MIE/81-595-MIE2004023.pdf>.

This article examines the culture sector's contribution to the Canadian economy. It measures the impact of the culture sector on Gross Domestic Product (GDP) and employment. In 2002, GDP from culture activities amounted to more than \$39 billion, an increase of 37% from the 1996 figure of approximately \$29 billion. This matched the overall growth in the Canadian economy (37%) over the period. The contribution of the culture sector to the Canadian economy amounted to approximately 3.8% of Canadian GDP in 2002.

The importance of the culture sector to the Canadian economy can also be examined by considering employment in the sector. On average, more than half a million Canadians worked in the culture sector in any given

year in the period 1996 to 2002. Culture employment showed steady growth over this period, increasing 15%, from about 517,800 in 1996 to 597,700 in 2002.

**GDP from culture sub-sectors**

*Written media*, which includes establishments engaged in the publishing industry (newspapers, books and periodicals), was the biggest contributor to culture GDP. Between 1996 and 2002, this sub-sector accounted for an average of about \$14 billion or 47% of culture GDP

**Note**  
 Previous analyses of employment in the culture sector will have results that differ from those reported here. The implementation of the *Canadian Framework for Culture Statistics*, published in August, 2004, has resulted in the use of a definition of the culture sector that is different from ones used in previously published studies. Therefore, employment numbers in this paper can be expected to differ from previous analyses.

**In This Issue...**

**Articles:**

- The impact of the culture sector on the Canadian economy 1
- Provincial economies and the culture sector 6
- Connecting culture 9

**Provincial and territorial data:**

- Performing arts, 2003 12

**Did you know?**

- New data on heritage institutions, 2002 14

**Table 1**  
**Culture sector GDP**

	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage change (1996 to 2002)	Average annual percentage growth rate (1996 to 2002)
Total Canadian GDP at current dollars (millions)	774,404	816,763	840,473	903,750	995,219	1,022,055	1,060,229	916,128	36.9	5.4
GDP from the culture sector at current dollars (millions)	29,233	30,441	32,375	33,953	37,489	38,486	39,923	34,557	36.6	5.4
Culture sector GDP as a percentage of Canadian GDP	3.8	3.7	3.9	3.8	3.8	3.8	3.8	3.8		

Source: Statistics Canada.

**Table 2**  
**Culture employment**

	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage change (1996 to 2002)	Average annual percentage growth rate (1996 to 2002)
Total culture employment	517,800	513,100	537,300	554,400	604,900	611,000	597,700	562,300	15.0	2.5
Total Canadian employment	13,462,600	13,744,400	14,140,400	14,531,200	14,909,700	15,076,800	15,411,800	14,468,100	15.0	2.3
Culture sector employment as a percentage of total Canadian employment	3.8	3.7	3.8	3.8	4.1	4.1	3.9	3.9		

Source: Statistics Canada.

each year. Most of the GDP in this sub-sector came from newspaper publishing. Other major contributors to culture GDP were *Broadcasting* and the *Film industry*, with 13% and 9% of culture GDP, respectively. Wages and salaries accounted for most of the GDP for the *Film industry* and *Broadcasting*. Together, the top three sub-sectors (*Written media*, *Broadcasting* and the *Film industry*) generated more than half of culture GDP, on average, over the period. It is not surprising to find that these three sub-sectors, which are composed of mainly profit oriented establishments, dominated the culture sector, compared to other sub-sectors that are largely composed of non-profit oriented establishments (for example, *Libraries* and *Performing arts*).

*Broadcasting*, which includes establishments engaged in private and public broadcasting (radio and television), generated an average of about \$4 billion in GDP per year. Most of the GDP in this sub-sector was generated by private broadcasting – around 73%, the majority of which came from television broadcasting as opposed to radio broadcasting. Public and non-commercial broadcasting (for example, the Canadian Broadcasting Corporation) accounted for the remaining share of the *Broadcasting* GDP. The third largest culture sub-sector in terms of its contribution to GDP was the *Film industry*, composed of establishments engaged in the creation, production and distribution of film and video. It generated an average of \$2.7 billion

in GDP over the period 1996 to 2002.

### **GDP growth in culture sub-sectors**

Comparing the GDP growth rates of the culture sub-sectors, we find that almost all of the culture sub-sectors, except *Visual arts*, *Sound recording and music publishing*, *Performing arts* and *Libraries*, grew between 1996 and 2002. The sub-sectors of *Design*, *Written media*, *Broadcasting* and *Heritage* reported growth in every year. The fastest growing culture sub-sector was *Festivals*, which reported an average annual growth rate of 14% over the period 1996 to 2002.

**Table 3**  
**Culture GDP by sub-sectors**

Culture sub-sectors (current \$ millions)	1996	1997	1998	1999	2000	2001	2002	Average	Percentage
								(1996 to 2002)	share of culture GDP (average 1996 to 2002)
Written media	11,787	12,619	13,328	13,843	15,576	16,745	17,368	14,467	47
Broadcasting	3,347	3,781	3,782	3,857	4,237	4,468	4,743	4,031	13
Film industry	2,113	2,124	2,565	2,876	3,069	3,212	3,107	2,724	9
Advertising	1,731	1,840	1,851	2,235	2,532	2,493	2,553	2,176	7
Performing arts	1,460	1,368	1,563	1,582	1,303	1,373	1,428	1,440	5
Visual arts	1,239	1,105	1,174	1,286	1,209	1,020	967	1,143	4
Libraries	1,156	1,146	1,137	1,128	1,120	1,113	1,105	1,129	4
Design	844	899	916	946	1,020	1,039	1,096	966	3
Sound recording and music publishing	931	1,043	1,124	776	852	807	801	905	3
Heritage	812	829	877	921	970	1,010	1,093	930	3
Architecture	627	553	742	764	1,024	916	969	799	3
Photography	322	232	234	359	375	343	388	322	1
Festivals	34	34	45	50	57	65	74	51	0

Source: Statistics Canada.

**Table 4**  
**GDP growth rates in culture sub-sectors**

Culture sub-sectors	Percentage change							Average annual percentage growth rate 1996 to 2002
	1996 to 1997	1997 to 1998	1998 to 1999	1999 to 2000	2000 to 2001	2001 to 2002	1996 to 2002	
Festivals	-1.2	33.7	11.3	13.7	13.7	13.8	117.6	14.2
Architecture	-11.7	34.1	2.9	34.0	-10.5	5.8	54.5	9.1
Advertising	6.3	0.6	20.7	13.3	-1.6	2.4	47.5	7.0
Written media	7.1	5.6	3.9	12.5	7.5	3.7	47.3	6.7
Film industry	0.5	20.7	12.1	6.7	4.6	-3.3	47.0	6.9
Broadcasting	13.0	0.02	2.0	9.8	5.5	6.2	41.7	6.1
Heritage	2.1	5.9	5.0	5.3	4.2	8.2	34.6	5.1
Design	6.5	1.9	3.2	7.8	1.9	5.5	29.9	4.5
Photography	-27.9	0.9	53.2	4.5	-8.6	13.1	20.5	5.9
Performing arts	-6.3	14.2	1.2	-17.6	5.4	4.0	-2.2	0.2
Libraries	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-4.4	-0.7
Sound recording and music publishing	12.0	7.8	-31.0	9.9	-5.3	-0.7	-14.0	-1.2
Visual arts	-10.8	6.2	9.6	-6.02	-15.6	-5.2	-22.0	-3.6

Source: Statistics Canada.

## Impact of culture on employment

The importance of the culture sector to the Canadian economy can also be measured by examining employment. On average, more than half a million Canadians worked in the culture sector in any given year in the period 1996 to 2002. Total employment in the culture sector increased 15% over this period, rising from approximately 517,800 in 1996 to 597,700 in 2002. Around 3.9% of all

Canadian employment in 2002 was in the culture sector, which was slightly higher than the 3.8% of total GDP generated by the culture sector for the same year.

Between 1996 and 2002, employment in the culture sector grew at about the same rate as did employment in the overall Canadian economy. However, employment growth in the culture sector fluctuated considerably during this period. The largest growth

in culture employment occurred from 1999 to 2000 (9%), while employment declined 1% from 1996 to 1997 and 2% from 2001 to 2002. It is interesting to note that both culture GDP and employment showed the highest rate of growth from 1999 to 2000.

The unemployment rate in the culture sector was lower than that of the overall Canadian unemployment rate (6% versus 8%), on average, for the period 1996 to 2002. This could

be because a larger proportion of the culture labour force was self-employed compared to the overall economy (25% versus 16%), due mainly to the project-based work characteristic of many occupations in the culture sector. The *Film industry* provides an excellent example of project-based activity. Another important observation is that only about 5% of culture sector employment was in the public sector compared to 19% of total Canadian employment, on average, during this period.

Culture workers are somewhat less likely than workers in general to hold full-time jobs. In 2002, 77% of the culture labour force worked full-time, compared to 81% of the total labour force in Canada. These results are similar to those of other studies that found part-time and self-employment much more evident in the culture sector than in the general workforce.<sup>1</sup> The higher proportion of part-time work in the culture sector compared to the overall economy reflects the unique nature of some occupations in the culture sector, such as writing, which tend to be part-time.

### Employment in culture sub-sectors

The top three culture sub-sectors in terms of GDP were also the top three culture sub-sectors for employment – *Written media*, *Broadcasting* and the *Film industry*. *Written media* accounted for 31% of culture sector employment, on average, over the period. Between 1996 and 2002, employment in this sub-sector increased about 2%, to 158,900 workers. As was the case with GDP, the majority of employment in *Written media* (70%) was generated by newspaper publishing.

The other two major culture sub-sectors in terms of employment were the *Film industry* and *Broadcasting*, accounting for 14% and 10% of culture sector employment, respectively. Around 71,600 workers were employed in the *Film industry*, on average, over the period. Employment in the *Broadcasting* sub-sector averaged 49,200 individuals. As was the case with GDP, most of the employment in the *Broadcasting* sub-sector came from the private sector, especially the television sector.

Comparing the composition of culture GDP and employment for the same sub-sectors, there are some interesting similarities and differences. *Written media*, for example, had a significantly higher share of culture GDP (47%) than culture employment (31%). *Design*, which accounted for 9% of culture employment, only accounted for 3% of culture GDP. On the other hand, some culture sub-sectors showed little difference between their shares of GDP and employment. *Sound recording and music publishing*, for example, had 3% shares of both.

### Employment growth in culture sub-sectors

Except for *Photography* (-18%), *Performing arts* (-1%), *Libraries* (-0.4%) and *Design* (-2%), average employment in all culture sub-

1. Benhamou, F. (2000), "The Opposition of Two Models of Labour Market Adjustment. The Case of the Audiovisual and Performing Arts in France and the United Kingdom," *Journal of Cultural Economics*, 24, pp. 301-319.

**Table 5**  
**Characteristics of culture workers**

	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)
	%							
Culture sector workers employed full-time	78	77	78	79	79	78	77	78
Workers employed full-time in Canada	81	81	81	82	82	82	81	81
Unemployment rate in the culture sector	7	6	5	5	5	5	6	6
Unemployment rate in Canada	10	9	8	8	7	7	8	8
Culture sector								
Employees in public sector	4	4	3	5	6	6	5	5
Employees in private sector	72	70	70	71	71	71	71	71
Self-employed	24	26	26	26	25	25	25	25
Canada								
Employees in public sector	19	18	18	18	19	19	19	19
Employees in private sector	65	65	65	65	65	66	66	65
Self-employed	16	17	17	17	16	15	15	16

Source: Statistics Canada, Labour Force Survey.

**Table 6**  
**Culture employment by sub-sectors**

Culture sub-sectors	1996	1997	1998	1999	2000	2001	2002	Average (1996 to 2002)	Percentage
									share of culture employment average (1996 to 2002)
Written media	156,000	160,000	150,600	151,200	168,000	165,500	158,900	158,600	31
Film industry	44,000	49,800	63,800	78,800	84,000	91,800	88,700	71,600	14
Broadcasting	45,900	42,400	47,000	45,500	51,500	56,600	55,200	49,200	10
Design	44,700	42,000	42,400	42,500	45,900	44,600	43,700	43,700	9
Advertising	36,400	36,400	39,900	42,000	47,100	49,000	48,600	42,800	8
Heritage	31,900	32,000	33,300	34,800	35,100	35,600	35,900	34,100	7
Libraries	24,700	24,700	24,700	24,700	24,700	24,600	24,600	24,700	5
Performing arts	24,000	21,600	22,200	20,900	21,000	21,100	23,700	22,100	4
Sound recording and music publishing	16,100	18,000	21,100	17,400	15,200	17,200	13,000	16,900	3
Visual arts	13,300	12,000	14,700	15,900	14,300	13,200	13,600	13,900	3
Architecture	10,000	9,700	12,200	14,400	18,200	15,700	17,100	13,900	3
Photography	11,600	8,000	7,500	10,000	9,100	8,600	9,500	9,200	2
Festivals	2,300	2,300	2,900	3,200	3,600	4,000	4,300	3,200	1

Source: Statistics Canada and the Department of Canadian Heritage.

sectors grew from 1996 to 2002. The *Film industry*, *Festivals*, *Advertising*, *Architecture* and *Broadcasting* reported higher employment growth rates than did the overall culture sector.

The *Film industry*, which reported the second highest growth in culture GDP, was the fastest growing sub-sector in terms of culture

employment, more than doubling its employment levels over the period. This was primarily due to the growth in employment in production and retail activities. However, employment in the *Film industry* suffered a decline of 3% between 2001 and 2002. The other two rapidly growing culture sub-sectors were *Festivals* and *Architecture*, with growth rates of 87% and 71%, respectively, over the

period. Most of the growth in employment in *Architecture* came from growth in full-time jobs. Comparing the growth rates over the various years, we find that 6 out of 13 culture sub-sectors reported a decline in employment from 1996 to 1997 and from 2001 to 2002, whereas 11 out of 13 culture sub-sectors reported an increase from 1997 to 1998.

**Table 7**  
**Employment growth rates in culture sub-sectors**

Culture sub-sectors	Percentage change							Average annual percentage growth rate (1996 to 2002)
	1996 to 1997	1997 to 1998	1998 to 1999	1999 to 2000	2000 to 2001	2001 to 2002	1996 to 2002	
Film industry	13.2	28.1	23.5	6.6	9.3	-3.4	101.6	12.9
Festivals	0.0	26.1	10.3	12.5	11.1	7.5	87.0	11.3
Architecture	-3.0	25.8	18.0	26.4	-13.7	8.9	71.0	10.4
Advertising	0.0	9.6	5.3	12.1	4.0	-0.8	33.5	5.0
Broadcasting	-7.6	10.8	-3.2	13.2	9.9	-2.5	23.3	3.4
Heritage	0.3	4.1	4.5	0.9	1.4	0.8	12.5	2.0
Sound recording and music publishing	11.8	17.2	-17.5	-12.6	13.2	-24.4	6.8	-2.1
Visual arts	-9.8	22.5	8.2	-10.1	-7.7	3.0	2.3	1.0
Written media	2.6	-5.9	0.4	11.1	-1.5	-4.0	1.9	0.5
Libraries	0.0	0.0	0.0	0.0	-0.4	0.0	-0.4	-0.1
Performing arts	-10.0	2.8	-5.9	0.5	0.5	12.3	-1.3	0.0
Design	-6.0	1.0	0.2	8.0	-2.8	-2.0	-2.2	-0.3
Photography	-31.0	-6.3	33.3	-9.0	-5.5	10.5	-18.0	-1.3

Source: Statistics Canada.

## Summary

This article has explored the culture sector's contribution to the Canadian economy by measuring the impact of the culture sector on GDP and employment. Over the period 1996 to 2002, the culture sector matched the growth rate of the overall economy in terms of both GDP and employment.

The culture sector generated more than \$34 billion in GDP (approximately 3.8% of Canadian GDP), on average, over the period 1996 to 2002. Culture sector GDP grew at the same rate as did total Canadian GDP (37%) during this period.

*Written media, Broadcasting and the Film industry* had both the highest GDP and culture employment. Together, they accounted for 69% of culture GDP and 55% of culture employment, on average, over the period 1996 to 2002. *Written media* was the largest culture sub-sector in terms of both GDP and employment – it accounted for 47% of culture GDP and 31% of culture employment, on average, over the period 1996 to 2002.

The culture sector accounted for more than half a million workers, on average, over the period 1996 to 2002. Similar to GDP, employment in the culture sector grew at the same rate as did employment in the total Canadian economy (15%). The culture sector was also an important contributor to overall job creation in Canada. Around 3.8% of all jobs created in Canada every year over the period came from the culture sector.

Although most jobs in the culture sector were full-time, there was a slightly lower proportion of full-time employees in the culture workforce than in the overall Canadian workforce. On average, 78% of the culture labour force was employed full-time, compared to 81% for the overall Canadian employed labour force.

Self-employment was also important in the culture sector. More than a quarter of culture workers were self-employed, on average, during the period 1996 to 2002. This was higher than the proportion of all workers in Canada who were self-employed. The culture sector was also less reliant on the public sector. Only 5% of culture workers were in the public sector compared to 19% for all Canadian workers.

Although the culture sector accounted for less than 4% of both Canada's GDP and employment, the study shows that both GDP and employment in the culture sector grew more or less at the same rate as the overall Canadian economy. These consistent positive trends in GDP and employment contributions solidify the importance of the culture sector as a contributor to Canada's economic growth. It should also be stressed that only the direct effect of culture was estimated. Indirect and induced effects of the culture sector were not examined. Adding these indirect and induced effects would increase the magnitude of the economic benefits of the culture sector. Further research is required to study and estimate these benefits.

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