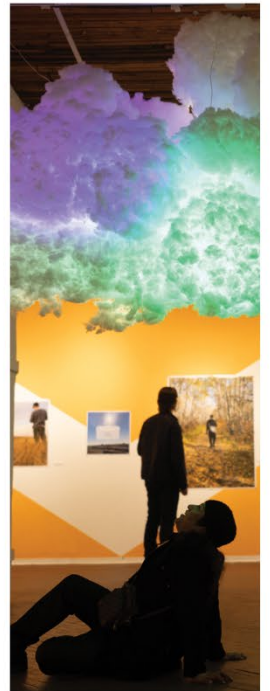


The Economic Impact of Manitoba's Arts and Culture Sector: *Three Perspectives*



Contents

Executive Summary.....	3
Introduction	6
The Cultural Satellite Account approach.....	8
Method and calculations: creating a culture industry	9
Results: culture generates almost \$2 billion in economic value to Manitoba	12
Tourism spending approach.....	14
Method and calculations: converting tourism spending to value-added.....	14
Results: average spend twice as much and generates over \$377 million of impact	16
The Manitoba Arts Council operating grant recipient approach	18
Method and calculations: using Statistics Canada's multipliers to compute value	21
Results: MAC operating grant recipients create \$85 million in economic impact.....	21
Other ways to think about MAC's impact: innovation, leverage, and human capital	23
Conclusion.....	27
Glossary of Terms	29
References	30

Cover page photos:

1. Courtesy of Art City Inc.
2. Courtesy of the Manitoba Children's Museum.
3. Anastasia Evsigneeva performing at HYPERART 2023. Photo by BNB Studios, courtesy of Centre culturel franco-manitobain.
4. La Maison des artistes team at work in March 2025. Photo by Sarah Lamontagne.
5. Brennan McKay, installation shot of *Da 4 Seasons / Niinwin Izhwebaadinoon / Néwo ihkina*, 2023. Photo by Theo Pelmus, courtesy of Urban Shaman Gallery.



Aerial view of the Winnipeg Folk Festival Main Stage, 2023. Photo courtesy of the Winnipeg Folk Festival.

Executive Summary

Key findings

The arts and culture sector makes an undoubted social and educational contribution to Manitoba. In these turbulent times, arts and culture is critical to both Canadian and Manitoban identity and, by extension, our sense of nation and sovereignty.

This report considers different ways to calculate the economic impact of the arts and culture sector in Manitoba. Three approaches to economic value are considered: Cultural Satellite Accounts, tourism spending, and through the activities of Manitoba Arts Council (MAC) operating grant recipients.

Cultural Satellite Account approach generates \$1.75 billion in economic impact

Culture goods and services are produced across many industries. Statistics Canada calculates the economic impact of culture by looking beyond traditional culture industries into culture products and jobs that may exist in industries not typically considered as culture.

Under the Cultural Satellite approach, Manitoba's culture sector created \$1.75 billion in economic value in 2023. This amounts to just under 3 per cent of Manitoba's GDP. The total number of culture jobs is over 20,000.

Tourism spending approach generates over \$377 million in economic impact

In 2024, Forum Research produced a report titled *The Size, Value and Economic Impact of Arts and Culture Tourism in Manitoba*. This study was sponsored by the Manitoba Arts Council and Travel Manitoba. It calculated economic impacts for 2023.

In this study, we estimated that tourists that participate in arts and culture in Manitoba spent over \$477 million in 2023. Notably, these tourists typically spend about twice as much as non-arts and culture tourists. The direct economic impact from this spending is over \$222 million. The indirect and induced impacts in the Province of Manitoba are close to \$80 million each, which takes the total economic impact to \$377 million.

Direct jobs created by the impact of tourists that participate in arts and culture in Manitoba are approximately 4,500, with about 56% of these being full-time jobs. The total tax revenue from all impacts is over \$152 million, with the main beneficiary being the Manitoba provincial government.

Manitoba Arts Council operating grant recipients create \$85 million in economic impact

The 102 organizations that received operating grants from MAC in 2023/2024 generated about \$90.4 million in operating income. This creates about \$85 million of value in Manitoba through direct, indirect, and induced impacts. There are spillover impacts to other provinces that amount to over \$20 million in additional value.

These impacts accounted for the creation of 1,262 jobs in Manitoba with an additional 174 jobs created in the rest of Canada. This reflects the fact that these organizations rely mostly on Manitoba-based labour, goods, and services for their operations.

Other ways of thinking about economic value

All these impact methodologies are based on a form of national income accounting that converts spending to economic value-added.

The value of arts and culture can also be viewed through other lenses that are as important, or even more important, than national income accounting. These include MAC's role in innovation, human capital formation, and funding leverage, where every \$1 dollar that MAC contributes generates over \$10 dollars in other sources of revenue.

Conclusion

Clearly the size of the economic impact depends on the definition of the sector and the type of spending under consideration.

Cultural Satellite Accounts take the broadest perspective and hence generate the largest impact. The tourism spending approach shows how the arts and culture sector draws in spending both within and outside the province and produces significant spillover benefits for tourism businesses like food and beverage and accommodation.

Meanwhile, looking at value from the perspective of Manitoba Arts Council operating grant recipients produces the smallest economic impact but has the advantage of being specifically focused on organizations involved in arts and culture. Also, it allows us to understand other sources of economic value beyond those associated with spending.

Taken together, these three approaches demonstrate that the arts and culture sector plays an important role in a robust and diverse Manitoba economy by creating over 20,000 jobs, contributing almost \$2 billion to GDP, and generating \$377 million in economic impact while showcasing Manitoba to the world. Organizations funded by MAC operating grants use this support to leverage funding from other sources while ensuring that Manitoba's creative workforce is nurtured and ready for the future.



Photo courtesy of the Manitoba Conservatory of Music & Arts.

Introduction

The arts and culture sector makes an undoubted social and educational contribution to Canada. In these turbulent times, the arts and culture sector is critical to Canadian identity and, by extension, Canadians' sense of nation and sovereignty.

Funders of arts and culture often consider their contribution to society. But increasingly, funders will seek economic rationales for their support for arts and culture.

Establishing the economic contribution of the arts and culture sector is not a straightforward exercise. To begin, there are different concepts of economic impact. Each concept has its own methodology and associated calculations. The concepts are not necessarily strictly comparable, a case of apples and oranges. As such, arts and culture organizations may struggle to establish their economic value proposition.

About this report

This report explores ways to determine the economic impact of the arts and culture sector in Manitoba.

The study explores the economic value proposition from three perspectives:

1. Statistics Canada's **Cultural Satellite Accounts** as they pertain to arts and culture in Manitoba.
2. Manitoba's arts and culture sector as a **magnet for tourism spending**. This part of the report reviews Forum Research's' previous work for the Manitoba Arts Council and Travel Manitoba on this topic.
3. The value created by Manitoba Arts Council **operating grant recipients**.

We dedicate one section of the report to each of these valuation methods. For each approach, we review the method, associated calculations, and the results. We conclude with a summary of our findings.



Wet Paint, 2023. Photo courtesy of Graffiti Art Programming.

The Cultural Satellite Account approach

Statistics Canada has developed a highly rigorous system of National Economic Accounts (NEA) as part of their Canadian System of Macroeconomic Accounts. Key indicators like gross domestic product, wages and salaries, and investment (also known as gross fixed capital formation) are computed through this system. National Economic Accounts are used for the conduct of effective fiscal and monetary policy, among other applications.

In the early days of the development of these accounts, the focus was on national economic metrics. But given the nature of the Canadian federation, there was a need for a parallel system of provincial economic accounts. Today, Canada has a well-developed system of Provincial Economic Accounts (PEA) that use the same framework and measurements as the National Economic Accounts. The PEAs were, in effect, the first “satellite” accounts.¹

Exhibit 1: Satellite Accounts in Canada

Satellite Account	Type
Value of household work	Extended
Tourism	Thematic
Canadian System of Environmental-Economic Accounting	Extended
Non-profit institutions and volunteering	Extended
Research and development	Extended, initially

¹ For more information on the history of satellite accounts in Canada see: Statistics Canada, *Satellite Accounting in Canada*.

Culture	Thematic
Pension	Thematic
Natural Resources	Thematic
Transportation	Thematic
Cannabis	Extended, initially
Digital economy	Thematic

Source: Statistics Canada, *Satellite Accounting in Canada*.

Satellite accounts were developed for other purposes over time. For instance, a system of tourism satellite accounts was developed in the 1980s. Over time, the number of satellite accounts have expanded and now total eleven (Exhibit 1). Some are “thematic” whereas others are “extended.” Thematic accounts are directly comparable to the core concepts and measurements of the NEA. Extended accounts use some of these concepts and measurements but also introduce new concepts and measurements that are not part of the NEA framework.

Method and calculations: creating a culture industry

Satellite accounts often don't align to the nomenclature of the NEA. For example, the NEA uses an industry nomenclature called the North American Industry Classification System (NAICS). Establishments are aggregated into industries based on commonalities in their production and outputs. Yet there is no “culture” industry in this classification. So, a synthetic industry is constructed that entails all or part of the output of multiple NAICS industries.

To illustrate, consider an automobile original equipment manufacturer (OEM). The main line of business is automobile manufacturing, and its output is included in the manufacturing sector. But a part of automobile manufacturing is design, so that part of the manufacturing output may be considered part of culture. But, in standard NEA accounting, it is difficult to simply pull the design component out of industry output.

Therefore, Statistics Canada has developed other means to estimate that output. They do so by parsing data from other classification systems beyond NAICS. For instance, they use the North American Product Classification System (NAPCS) which classifies culture products. In addition, they use the output of culture employees as covered under the National Occupational Classification-Statistics (NOC-S).

Statistics Canada defines culture as²:

Creative artistic activity and the goods and services produced by it, and the preservation of heritage.

Statistics Canada uses “domains” to categorize culture goods and services, industries and occupations. It defines major domains, sub-domains, and ancillary domains (Exhibit 2). In addition, it defines cross-cutting transversal domains to capture the contribution of education and training. They then parse data from the various classification systems to compute the culture contribution of these domains.

Exhibit 2: Statistics Canada's conceptual framework for Cultural Satellite Accounts

Culture domains					
A. Heritage and libraries	B. Live performance	C. Visual and applied arts	D. Written and published works	E. Audio-visual and interactive media	F. Sound recording
Core culture sub-domains					
- Archives - Libraries - Cultural heritage - Natural heritage	- Performing arts - Festivals and celebrations	- Original visual art - Art reproductions - Photography - Crafts	- Books - Periodicals - Newspapers - Other published works	- Film and video - Broadcasting - Interactive media	- Sound recording - Music publishing
Ancillary culture sub-domains					
		- Advertising - Architecture - Design	- Collected information		
Transversal domains					
G. Education and training					
H. Governance, funding and professional support					
Infrastructure domains					
I. Mediating products					
J. Physical infrastructure					

Source: Statistics Canada, *Classification Guide*, 2011.

² Statistics Canada, *Conceptual Framework*.

To be considered part of culture, a good or service must fall under the culture definition and satisfy one of the following criteria³:

- 1. Has the *potential* of being protected by copyright legislation.
- 2. Supports the creation, production, dissemination, or preservation of culture products, like recording or production.
- 3. Adds to or refines the content of a culture product through processes like editing and post-production enhancement.
- 4. Preserves, exhibits, or interprets human or natural heritage, which includes museums and heritage sites.
- 5. Provides training or educational services aimed at individuals who create, produce, or preserve culture products.
- 6. Governs, finances, or supports directly culture creation, production, or dissemination.

Clearly, culture goods and services are produced across many industries. The Statistics Canada approach recognizes that some culture industries produce goods and services which *do not* fall under their definition of culture, whereas some non-culture industries produce products and services that *do* fall under this definition (Exhibit 3). This complexity has resulted in Statistics Canada producing separate estimates for culture output using a product approach and an industry approach.

Exhibit 3: Classification of culture productions

Supply of culture products by type of establishments		
	Culture products	Non-culture products
Culture establishments	1. Culture products produced by culture establishments	2. Non-culture products produced by culture establishments
Non-culture establishments	3. Culture products produced by non-culture establishments	4. Non-culture products produced by non-culture establishments

Source: Statistics Canada, *Conceptual Framework*.

³ Statistics Canada, *Conceptual Framework*.

Results: culture generates almost \$2 billion in economic value to Manitoba

Clearly, Statistics Canada's approach to Cultural Satellite Accounts is quite comprehensive. Not surprisingly, it generates rather large economic impacts both nationally and in Manitoba.

For Canada, for example, culture gross domestic product was about \$60.8 billion or 2.8 per cent of Canada's GDP in 2023. The culture sector accounted for over 640,000 jobs.

Provincial data lags national data by one year, so Statistics Canada's latest Manitoba data is for 2022. But if we assume that Manitoba's share of national culture output remained constant between 2022 and 2023, then Manitoba's culture sector produced \$1.75 billion in economic value-added in 2023. There are slight differences between the culture product and culture industry perspectives of economic value, but they both produce estimates of around \$1.75 billion for 2023.

That amounts to just under 3 per cent of Manitoba's GDP. To put this in perspective, Manitoba's culture sector is about the same size as its commercial construction industry and about 70 per cent the size of its utilities sector.⁴ It is over 15 times larger than the forestry sector. The total number of culture jobs is over 20,000.

The reason for this large number is that Statistics Canada has adopted a broad definition of culture. Statistics Canada finds culture in many industries, products, and occupations. This can be seen in the subsector allocation of culture GDP (Table 1). Statistics Canada considers a wide range of activities as "culture" including certain types of education and training, broadcasting, advertising, architecture, newspapers, periodicals, and festivals.

Clearly these activities are quite different from one another. This is a challenge facing all studies that seek to calculate industry value-added when the industry in question does not strictly align to standard industry classifications. But clearly the culture sector makes an important contribution to the diversity and size of Manitoba's economy.

⁴ Statistics Canada Table 36-10-0488-01.

Table 1: Top-contributing industries to culture, Manitoba, 2022*Thousands of dollars*

Governance, funding, and professional support (culture)	375,972
Written and published works	343,246
Multi sub-domain	266,218
Audio-visual and interactive media	226,488
Visual and applied arts	212,660
Broadcasting	184,578
Education and training (culture)	123,673
Live performance	89,548
Architecture	84,002
Design	35,517
Newspapers	33,343
Photography	33,020
Film and video	32,692
Heritage and libraries	32,564
Periodicals	32,065
Festivals and celebrations	18,896
Culture heritage	16,741
Natural heritage	14,774

Source: Statistics Canada, Table 36-10-0453-01.



Art in the Wild, 2023. Photo by Noelle Drimmie, courtesy of Kristy-Rae Janvier.

Tourism spending approach

In 2024, Forum Research produced a report titled *The Size, Value and Economic Impact of Arts and Culture Tourism in Manitoba*. This study was sponsored by the Manitoba Arts Council and Travel Manitoba. The study calculated economic impacts for 2023.

Method and calculations: converting tourism spending to value-added

The study's method involved parsing data from Statistics Canada's National Travel Survey (NTS), a survey of Canadian's travel habits, and the Visitor Travel Survey (VTS), a frontier survey that intercepts visitors from other countries as they cross border points. Both these surveys ask travellers about visits and associated spending.

We defined a sub-population of tourists that participate in the following five arts and culture activities:

1. A festival or fair
2. A performance
3. An Indigenous event
4. A historic site visit
5. A museum or gallery visit

Tourists can participate in any of these activities for a trip to be considered an arts and culture trip and for them to be included in the population of arts- and culture-participating tourists.

Once we defined the relevant arts- and culture-participating tourists, we did an analysis of their spending behaviour while on an arts and culture trip. We included all the spending

they do on the trip, most notably transportation, accommodation, food and beverage, arts and recreation, and ancillary shopping.

We used this spending data to simulate Forum Research's *TourForce* Economic Impact Model. The model is based on Statistics Canada's provincial input-output tables and uses this framework to convert spending into economic value-added.

Economic value-added differs from spending as it is mainly interested in value that is created *within the jurisdiction* in question, in this case Manitoba. Value that is created in other jurisdictions, whether they be other provinces or countries, effectively "leak out" of Manitoba. This means that economic value in Manitoba will usually be less than total spending.

To illustrate with an example, consider a restaurant in Winnipeg. If a tourist spends \$100 dollars on a meal, perhaps only half of this will be for services directly provided by the restaurant in the form of meal preparation, wait staff, and restaurant facilities. Another 40 per cent may be provided by suppliers to the restaurant (like food and ingredients) within the Province of Manitoba. The remaining 10 per cent "leaks out" in terms of goods and services provided by businesses outside of Manitoba, either in other provinces or countries, say lobsters from Atlantic Canada or tomato sauce from Italy.

In this example, the \$50 is considered *direct* economic impact that occurs at the point-of-sale. The \$40 is *indirect* economic impact in the Province of Manitoba through the restaurant's provincially-based supply chain. Finally, the \$10 is value-added created by the restaurant's out-of-province supply chain.

The model allows us to calculate so-called *induced* impacts beyond these direct and indirect impacts. The induced impacts are driven by payments that the restaurant makes to its factors of production in the form of wages, salaries, and profits.

These payments are then spent in the surrounding economy, generating a second round of economic impact. The extent to which this type of spending generates value-added depends more on the province-wide supply chain for a wide range of goods and services. As with the restaurant, the province will rely on within-province and out-of-province goods and services to satisfy this second round of demand.

Results: average spend twice as much and generates over \$377 million of impact

Table 2 summarizes the results of this approach. We estimated that tourists that participate in arts and culture in Manitoba spent over \$477 million in 2023. These tourists typically spend about twice as much on average as non-arts and culture tourists. The direct economic impact from this spending is over \$222 million dollars. The indirect and induced impacts in the Province of Manitoba are close to \$80 million for each impact. Combining direct, indirect, and induced impacts takes the total impact to over \$377 million.

Economic activity creates income, the most important being wages and salaries, which amount to over \$134 million in direct impact. Wages and salaries are paid to employees and can be converted to full-time equivalent (FTE) jobs. Direct FTE jobs are 3,157.

Table 2: Economic simulation results

Thousands of dollars

Total spending	\$477,826		
<i>Of which</i>			
Accommodation	\$125,756		
Food and beverage	\$88,848		
Culture and entertainment	\$49,661		
Transportation	\$171,358		
Miscellaneous	\$42,203		
Gross Domestic Production (Manitoba)			
Direct	\$222,145		
Indirect	\$79,972		
Induced	\$75,529		
Total	\$377,647		
Impact on Labour Market (Manitoba)	<i>Direct</i>	<i>Indirect</i>	<i>Induced</i>
Wages and salaries	\$134,762	\$57,948	\$51,210
Employment (FTE)	3,157	1,004	844
Total taxes			
Municipal	\$4,587		
Provincial	\$77,981		
Federal	\$70,336		
Total taxes	\$152,904		

Source: Forum Research Economics.

Almost 2,000 additional FTE jobs are created through indirect and induced impacts. But, as we point out in the report, actual jobs differ from FTE jobs because tourism businesses

employ many people who work less than full-time hours. Actual direct jobs are more like 4,500 with about 56 per cent of these jobs being full-time jobs.

Government tax revenue is related to the level of economic activity, mainly in the form of income, sales, and excises taxes of various types. The total tax revenue from all impacts is over \$152 million, with the main beneficiary being the Manitoba provincial government treasury.



Narnia by Bad Hats Theatre, an MTYP Production, 2023. Set, props, and costume design by Julia Kim. Lighting design by Katherine Johnston. Photo by Leif Norman.

The Manitoba Arts Council operating grant recipient approach

Since 1965, the Manitoba Arts Council has provided funding and other supports for the arts and culture community under the auspices of *The Arts Council Act*.

The provincial government is the main funder of MAC, providing \$12.7 million of \$12.8 million of MAC revenues.⁵

Virtually the entire amount of this income is spent in the fiscal year. About \$10 million per annum is delivered in the form of grants to the Manitoba arts community. Eighty per cent of this total constitutes operating grants for established arts organizations. The remainder is dispersed among many worthy arts initiatives (Table 3).

Yet MAC funding is only one part of the total revenue picture. MAC-funded organizations have other streams of income that outweigh MAC grants. The MAC operating grant organizations report to MAC on their financial metrics. Therefore, we can compute the economic impact of these organizations beyond their MAC funding. The latest financial data is for 2023-24 fiscal year and is summarized in Table 4.

⁵ Manitoba Arts Council, Annual Report, 14.

Table 3: Manitoba Arts Council grants*2023-2024*

Create	\$754,376
Share	\$1,374,428
Present	\$312,380
Artists in Communities	\$453,432
Tour	\$237,679
Artists in Schools	\$368,937
Support	\$8,220,452
Operate	\$8,140,000
Strengthen	\$80,452
Learn	\$167,821
Residencies	\$17,500
Travel/Professional Development	\$99,321
Scholarships	\$51,000
Indigenous 360	\$391,600
Recognize	\$75,016
Prizes	\$30,000
Competitions	\$45,016
Total	\$10,983,693

Source: Manitoba Arts Council 2023-2024 Annual Report.

Table 4: Financials for Manitoba Arts Council operating grant organizations*2023-2024 fiscal year – 102 organizations*

Earned revenue	\$38,493,795.02
Net investment income	\$4,726,460.72
Private sector revenue	\$18,376,254.35
Public sector revenue	\$28,593,865.58
Federal public revenues	\$13,225,436.63
Provincial or territorial public revenues	\$11,121,173.94
Municipal or regional public revenues	\$4,140,420.62
Other revenues	\$231,622.96
Operating revenues	\$90,421,998.63
Total revenues	\$91,762,094.66

Artistic expenses	\$51,778,663.81
Facility operating expenses	\$9,049,867.69
Marketing and communications expenses	\$7,345,783.98
Fundraising expenses	\$3,685,149.79
Administration expenses	\$19,477,579.34
Total Operating Expenses	\$91,337,044.61
Total Expenses	\$93,637,513.32

Source: CADAC financial reporting.

Note that the \$8 million in operating grants from MAC is less than 10 per cent of total operating revenues. It is over 70 per cent of the total funding from provincial sources. In addition, these organizations draw in over \$13 million in federal funding and over \$4 million in municipal funding. This illustrates that for every \$1 dollar that MAC contributes, over \$10 dollars is generated in other sources of revenue.

Interestingly, the main source of funding is not the public sector. Rather, the earned revenue of MAC operating grant recipients is the most important source of revenue. In that sense, there are genuine synergies between public and private sources of funding.

The revenue streams of MAC grant-recipient organizations are a measure of the demand for those organizations' goods and services. This is clearly based on a combination of private and government demand for arts and culture. Our terms of reference is to compute the economic impact for these operating grant organizations.

Method and calculations: using Statistics Canada's multipliers to compute value

We use Statistics Canada's industry multipliers to convert demand to value-added. These multipliers are based on the same input-output data that we use in our *TourForce* economic model. But they allow for a simple calculation of direct, indirect, and induced impacts based on the relationship between these value measures.

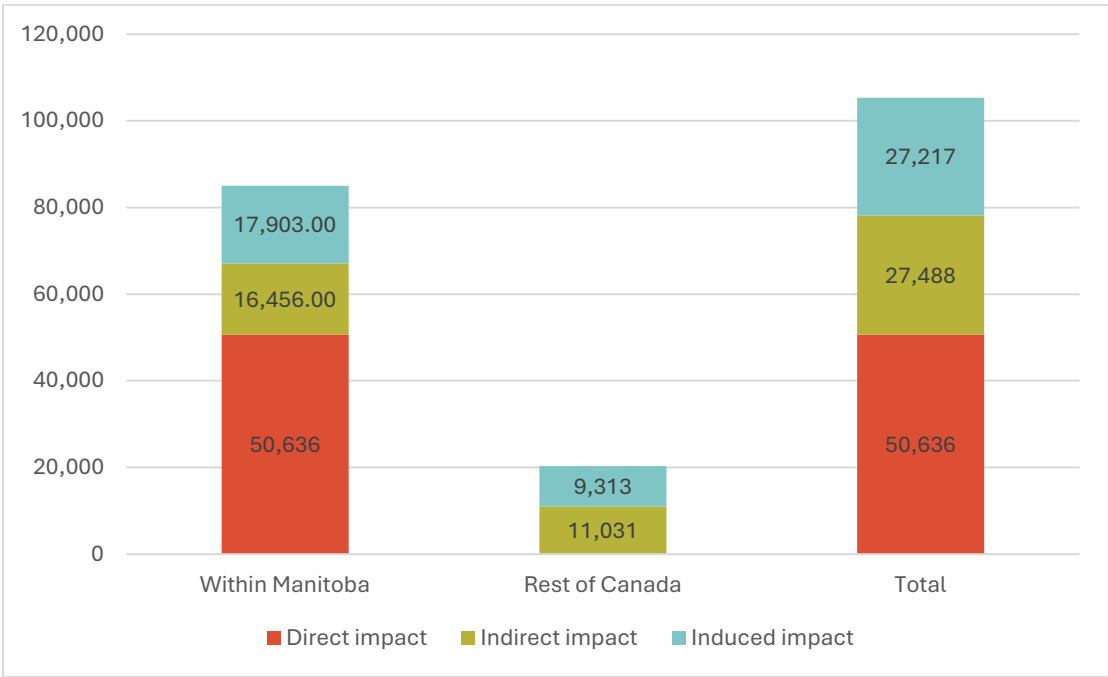
The revenue numbers in Table 4 are akin to the demand that we use in the tourism approach to computing value. We focus on the operating revenue (\$90.4 million) as this is the most relevant representation of the organizations' response to demand.

So, the question becomes: how much value is created in Manitoba through this demand? Statistics Canada's multipliers allow us to answer this question. The multipliers are for 2021. They are based on the provincial multipliers for the NAICS industry 71: Arts, Entertainment and Recreation.

Results: MAC operating grant recipients create \$85 million in economic impact

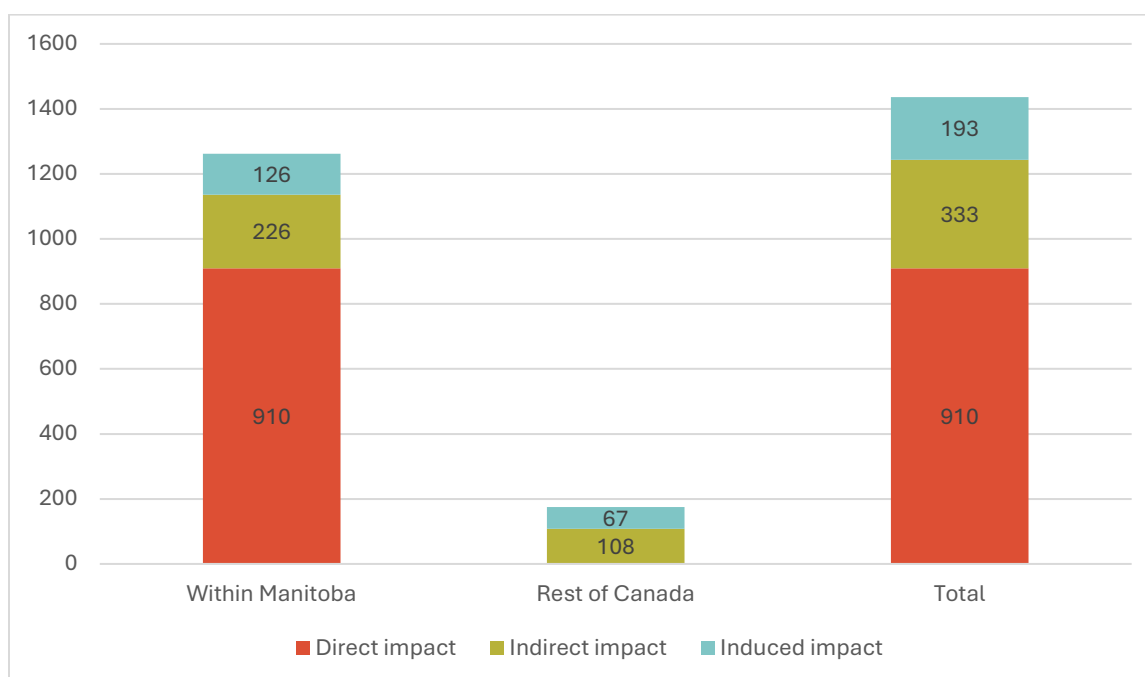
Applying these multipliers generate the results that we show in Chart 1. The \$90.4 million dollar in total demand for 102 MAC operating grant organizations ends up creating about \$85 million of value in the Province of Manitoba through direct, indirect, and induced impacts. There are spillover benefits to other Canadian provinces that amount to just over \$20 million in additional value.

Chart 1: GDP at basic prices generated by MAC operating grant recipients
Thousands of dollars



Source: Computations based on Statistics Canada Table 36-10-0113-01.

As in the tourism approach, Statistics Canada’s multipliers allow us to calculate the number of jobs. The Statistics Canada multipliers use a measure of labour productivity to calculate the number of full-time equivalent (FTE) jobs from revenue. As seen in Chart 2, virtually all Canadian jobs are created in the Province of Manitoba. Manitoba-based jobs come in at 1,262 total jobs through all impacts, and 1,436 jobs are created Canada-wide. The reason is that MAC operating-grant recipients mostly rely on Manitoba-based labour, goods, and services to generate value.

Chart 2: Jobs created through MAC operating grant organizations

Other ways to think about MAC's impact: innovation, leverage, and human capital

The reviewed methodologies are based on different forms of national income accounting that convert spending to value-added. That is a relatively straightforward way to compute economic impact, but shouldn't be considered the *only* way. Economics is much more than national income accounting.

Innovation

For example, it is possible to consider MAC funding as being akin to innovation funding in the private sector.⁶ The nature of artists and arts organizations is inherently risky. They take artistic risks that may or may not pay off commercially. In this context, MAC underwrites artistic risk-taking. It allows arts organizations and artists in Manitoba the financial leeway to take artistic risks.

Some artistic risks inevitably pay off in commercial success. Commercial success generates new arts enterprises that create value through natural market processes. It is difficult to assess the value of this sort of risk funding within traditional spending/value-

⁶ See Grant, *Start Me Up*.

added models. Looking at MAC through the lens of innovation funding has some advantages over spending/value-added.

Funding leverage

MAC is a sustaining funder of operating grant recipients. This allows those organizations a secure financial foundation from which to leverage other sources of funding, which is another way of looking at economic impact in Manitoba.

As seen in Table 4, MAC operating grant organizations draw in revenue from other sources. Over 68 per cent of the operating revenue of these sources is in the form of earned revenue, private donations, and investment income. It's plausible that some of these additional funding channels would not be available without the sustained funding provided by MAC. Through this lens, we see that for every \$1 that MAC contributes, over \$10 is generated in other sources of revenue.

Even within public sources of funding, a case can be made that MAC operating grant funding allows Manitoba to attract funding that would otherwise not be available. Consider, for example, Canada Council for the Arts grants, a form of federal funding. When compared to provinces of similar size, Manitoba is clearly successful in drawing in this type of federal arts funding.

One way of looking at the success is the conversion rate between applications and funding (Chart 3a). Another way to look at it is funding in relationship to the share of population (Chart 3b). On both these counts, Manitoba arts organizations and artists are successful in drawing in Canada Council of the Arts funding at a higher level than would be expected for a province of Manitoba's size.

Chart 3a: Shares of Canada Council funding metrics, 2023-2024
Per cent

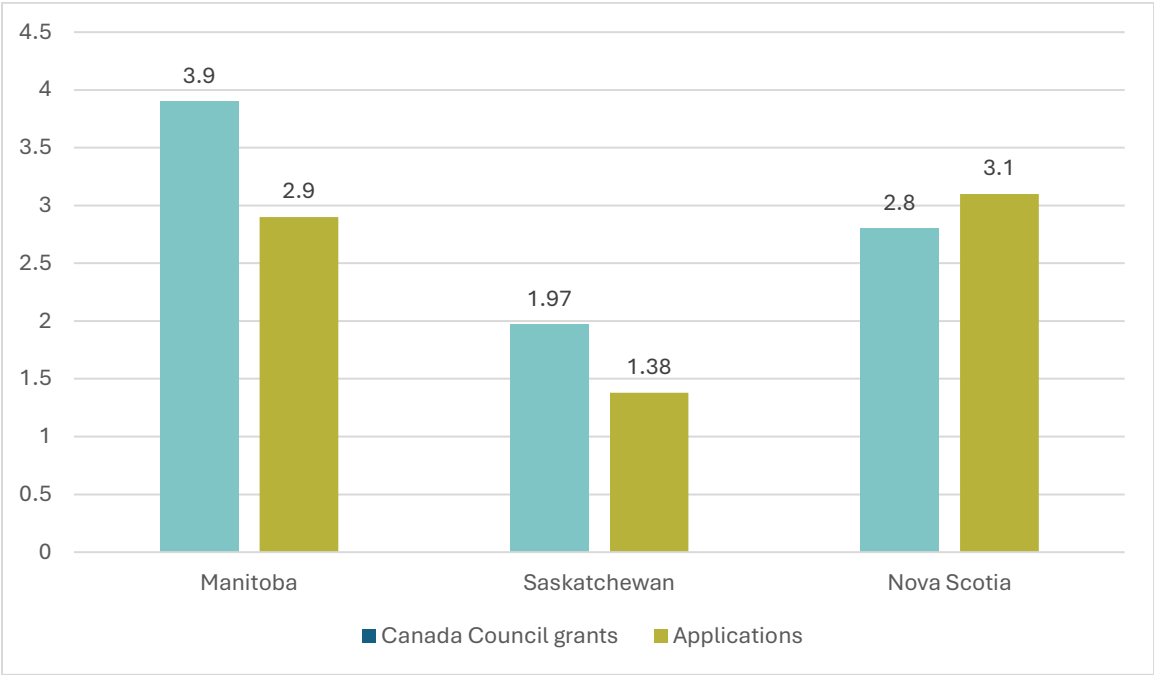
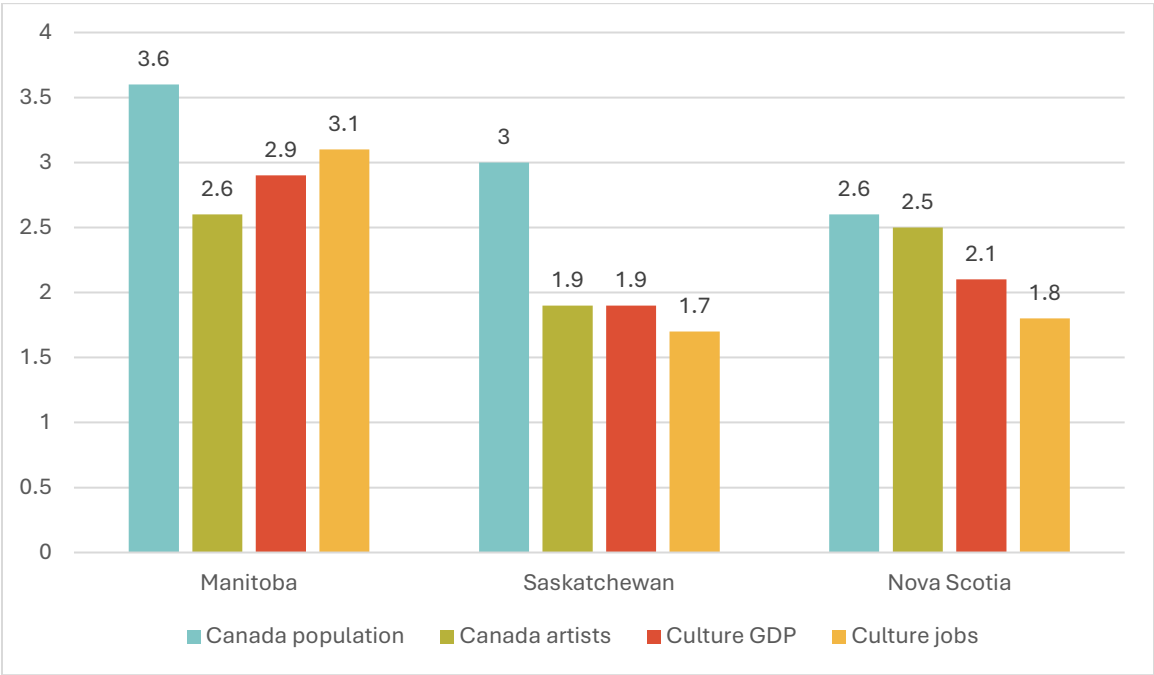


Chart 3b: Other pertinent metrics
Per cent



Source: Canada Council for the Arts.

Human Capital Formation

Finally, MAC plays a role in human capital formation in Manitoba. Human capital development has the effect of raising lifetime earnings, called economic returns, to education. Human capital generates returns over the lifetime of the person who develops knowledge and skill through a combination of education and applied experience. It generates social returns in terms of greater self-reliance and less reliance on the social safety net.

It is common for post-secondary institutions to make claims of economic impact based on their development of human capital. Universities and colleges draw in billions of public subsidies based on their human capital development claims. In reality, universities and colleges are merely one element of Canada's human capital development system.

Simply put, the amount of actual skill developed during a typical post-secondary stint is relatively minor in comparison to workplace experiential learning. That is especially true in the arts, where artists need many years of practice to perfect their craft. Institutions that help people make the school-to-work transition and sustain the experiential learning process are critical to the development of artistic skill.

When viewed from this perspective, one can see how MAC operating grant recipients are, in fact, part of Manitoba's human capital development system. Over \$50 million per annum is used for artistic expenses, which are part and parcel of artistic projects that develop the artists' skill. MAC itself has a variety of programs beyond its operating support that are clearly targeted at skill development at different points in the school-to-work transition.



A performance of Quia, choreographed by Meredith Rainey, by Royal Winnipeg Ballet Professional Division Students at On the Edge 2024. Photo by Michelle Blais, courtesy of the Royal Winnipeg Ballet.

Conclusion

This study has explored different ways of computing the economic impact of the arts and culture sector in Manitoba. Though the impact depends on the definition of the sector and the type of spending being considered, no matter *how* it is considered, arts and culture bring considerable economic benefit to Manitoba.

The Cultural Satellite Accounts take the broadest perspective and generate the largest impacts. What is evident from this approach is that culture is present in many of Manitoba's sub-sectors and is responsible for over 20,000 jobs in Manitoba. This, coupled with an economic impact of \$1.75 billion, or just under 3% of Manitoba's GDP, makes it clear that arts and culture in Manitoba is critical to the province's robust and diverse economy.

The tourism spending approach is less expansive but is better at showing how the arts and culture sector draws in tourism spending that generates significant spillover benefits for tourism businesses like food and beverage and accommodation. Key takeaways from this approach are the discovery that arts and culture tourists spend twice as much on average as non-arts and culture tourists in Manitoba and that the total tax revenue from this segment of the tourism market is over \$152 million, with the main beneficiary being the Manitoba provincial government treasury.

Meanwhile, looking at value from the perspective of Manitoba Arts Council operating grant recipients produces the smallest economic impact. Yet this approach has the advantage of being specifically focused on a key organization involved in funding arts and culture in Manitoba. With this approach, we discover that though Manitoba Arts Council funding accounts for less than 10% of its operating grant recipients' revenues, these recipients

leverage this stable funding to generate over \$85 million in economic impact and 1,262 jobs in Manitoba.

Of equal importance is recognizing how the recipients of Manitoba Arts Council operating funding contribute to Manitoba's human capital development system. These organizations use over \$50 million per annum for artistic expenses, which are largely dedicated to employing people. Working in fields where artists and arts and culture workers need many years of practice to hone their craft, these institutions are critical to supporting individuals in making the school-to-work transition, and to sustain the experiential learning necessary to build a career in Manitoba.

Taken together, these three approaches demonstrate that the arts and culture sector in Manitoba is a significant contributor to Manitoba's economy, creates jobs and generates tax revenue, draws in revenue from other jurisdictions, and contributes to the development of Manitoba's workforce. This is in addition to its importance to defining Manitoba's distinct identity and contributing to its sense of sovereignty.

Glossary of Terms⁷

Factor payments: Production related to labour and capital. The three classes of factor payments are wages and salaries, gross operating surplus and gross mixed income. The latter measures the income of unincorporated businesses, which is partly in the form of wages and salaries and partly in payments for capital.

Gross Domestic Product (GDP): The unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. A valuation expressed in terms of the prices actually paid by the purchaser after all applicable taxes and subsidies.

Gross Domestic Product (GDP) at Basic Prices: Gross domestic product at market prices minus taxes less subsidies on products.

Gross Domestic Product (GDP) at Market Prices: Gross domestic product at basic prices plus taxes less subsidies on products.

Input-output model: A model dealing primarily with resource allocation in the economy corresponding to a given level of demand. The model shows how demand is met at the point-of-sale and the associated supply chain.

Model: A computational device that accounts for the interaction between economic variables.

North American Industrial Classification System (NAICS): A system used to group producers into industries based on similarities in their production. Developed jointly by Canada, Mexico and the United States, it provides a common way of describing industries in the three countries.

Output: Goods and services produced by an establishment. Excludes good and services used by the establishment, except for capital formation.

Value-added: Gross value-added is the value of output less the value of intermediate consumption. Net value added is the value of output less the values of both intermediate consumption and consumption of fixed capital.

⁷ Sources: Statistics Canada, *Latest Development in the Canadian Economic Accounts*. Publication 13-605-X. Forum Research Economics.

References

- Grant, Michael. *Start Me Up: Funding Canada's Emerging Innovators*. Ottawa: The Conference Board of Canada, 2014.
- Grant, Michael. *The Economic Impact of Post-Secondary Education in Canada*. Ottawa: The Conference Board of Canada, 2014.
- Manitoba Arts Council. *Annual Report 2023/24*. Winnipeg: Author. 2024.
- Statistics Canada. CANSIM Tables. Tables 21-10-0185-01, 36-10-0453-01. 36-10-0595-01.
- Statistics Canada. *Classification Guide for the Canadian Framework for Culture Statistics*. Ottawa: Ministry of Industry. 2011.
- Statistics Canada. *Conceptual Framework for Culture Statistics*. Ottawa: Ministry of Industry. 2011.
- Statistics Canada. *Latest Developments in the Canadian Economic Accounts*. Publication number 13-605 X. Ottawa: Author.
- Statistics Canada. *Satellite Accounting in Canada*. Ottawa: Statistics Canada. 2020.