

Economic Impact Assessment of the Cultural Sector in Niagara

Final Report

Prepared for :

Niagara Region



Funded by : **The Government of Ontario**



Prepared by:

Nordicity

in association with **Lord Cultural Resources**

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Executive Summary

Background and Mandate

Niagara Region commissioned Nordicity to undertake an Economic Impact Assessment (EIA) of Culture in Niagara (the 'study') as part of the first Strategic Direction of the *Niagara Culture Plan*.

The objectives of this study are:

- Assessing the impact of the cultural sector on the Niagara's economy;
- Measuring and promoting the economic vitality of culture in Niagara;
- Promoting and informing strategic initiatives for developing and growing Niagara's cultural sector and the area's broader economic prosperity; and,
- Developing an easy-to-use framework for updating economic data and performance statistics related to the cultural sector in the region and tracking economic impact over time.

Approach and Methodology

The methodology applied by Nordicity for the EIA study of Culture in Niagara was composed of four component parts: (i) Community Engagement, (ii) Primary Research, (iii) Secondary Research, and (iv) Economic Impact Analysis.

At key stages during the process of this study a series of Community Engagement Sessions (CES) were held. These sessions were used to consult with community stakeholders and representatives from the different cultural sector stakeholder groups. The CES enabled stakeholders to learn about the findings of the study and discuss what segments of the culture sector are most active, how many people are working in the sector, and how much the cultural sector is contributing to the region's economy.

In order to capture primary data as the basis for the EIA, an online survey was developed and hosted for two months from June – August 2012. The survey was distributed to cultural businesses, organizations, individual artists and freelance cultural workers across all segments of the cultural sector and in all 12 of the local municipalities of Niagara.

This study referred to over 30 cultural economic impact assessments from other jurisdictions in Canada, the US and internationally in order to further build on the list of Key Performance Indicators (KPIs). A number of standard statistical framework guidelines for collecting cultural data were also used in order to develop the research framework for this study and to guide the development of research tools (such as the survey) to ensure they aligned with the best practices in collecting cultural data in Canada.

Existing secondary data relating to region's cultural sector were collected for application directly in the economic impact analysis in order to determine certain KPIs and to supplement survey data.

A series of case studies were conducted using publicly available cultural studies from other jurisdictions across Canada, including strategic plans and/or Economic Impact Assessments (EIA). The case studies were conducted in order to highlight the key outcomes of similar initiatives in other jurisdictions and help inform suggestions next steps in Niagara. The case studies also help to demonstrate some best practices for using and leveraging an EIA to drive policy change and the development of initiatives to help grow and develop a more vibrant cultural sector.

Key Findings and Next Steps

Key Findings from the EIA

Based on the calculations of the overall economic impact of the cultural sector in Niagara's 12 municipalities, total cultural sector operations and expenditures generated a total economic impact of \$396.3 million in labour income for the Niagara economy, \$595.2 million in total Gross Regional Product (GRP) for Niagara and resulted in 13,088 jobs for Niagara residents.¹ This employment number represents 0.19% of Ontario's total employed labour force in 2012.² Alternatively, this employment number represents 6.4% of Niagara's total employed labour force in 2012.³ If we compare Niagara's calculated GRP number for the direct economic impact (\$176.2 M), this represents 0.98 of 1% of Ontario's cultural sector direct economic impact (in 2001).⁴

¹ These numbers could not be compared to Niagara's overall GRP since this data is only available for 2004.

² Statistics Canada. (2013). *Labour force, employed and unemployed, numbers and rates, by province (Quebec, Ontario, Manitoba)*. Accessed April 9, 2013 from: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor07b-eng.htm>

³ Statistics Canada. (2013). *Labour force characteristics, population 15 years and older, by census metropolitan area*. Accessed April 9, 2013 from: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor35-eng.htm>

⁴ Deloitte. (2005). *City of Toronto: Economic Contribution of Toronto's Culture Sector*. Accessed April 9, 2013 from: http://www.toronto.ca/culture/pdf/Toronto_Economic-Impact-CultureSector.pdf

Table 1: Summary of total economic impact of cultural sector in Niagara, 2011

| | Direct | Indirect | Induced | Cultural Tourism | Total |
|--|--------|----------|---------|------------------|---------------|
| Employment (jobs) | 5,812 | 1,193 | 210 | 5,873 | 13,088 |
| Labour income (<i>i.e.</i> , wages and benefits) (\$M) | 143.6 | 56.1 | 9.9 | 186.7 | 396.3 |
| GRP (\$M) | 176.2 | 101.8 | 16.5 | 300.7 | 595.2 |

Source: Estimates based on data from online survey, Statistics Canada and CMPA, *Profile 2011*.

Next Steps – How should Niagara use this Economic Impact Study?

This economic impact assessment combines several different sources to inform Niagara Region and other stakeholders in planning and cultivating cultural activities in Niagara. The EIA data can be used to identify the strengths in the sector and build on those strengths (see Sections 6.1 and 6.2 for a list of strengths). In other words, how much is the cultural sector contributing to Niagara’s GRP and in what capacity? By identifying these strengths and primary areas of importance, the Niagara Region and its cultural sector partners can assign priorities to develop strategies for advancing Niagara’s economy in the future.

An EIA can also be used to:

- Support cultural promotion;
- Assist in financial planning for Niagara’s cultural sector;
- Provide a clear picture of how valuable the cultural sector is to the region;
- Foster partnerships with outside businesses and organizations by showing the viability of the cultural sector and its businesses in Niagara; and,
- Strengthen the rationale for cultural investment from both government and non-government resources by helping to demonstrate the return on investment in the Niagara cultural sector.

There are opportunities for Niagara to learn from other successful cultural regions and these should be considered in further implementations of the *Niagara Culture Plan* including:

- Strengthening local support for Niagara’s cultural offerings;
- Strengthening marketing and promotion of Niagara’s cultural sector outside of the region;
- Building on Niagara’s existing strength as a tourism destination;
- Engaging in more collaborative and complementary product development and cross-promotion; and,

- Building a case for culture to encourage greater investment in Niagara’s cultural sector.

The opportunities listed above should be taken as signals of opportunities for growth in Niagara. More specific details regarding each opportunity are provided in Section 6.2 of the report. There are also several areas of further study (also outlined in Section 6.2 of the report) that would help Niagara as a region and individual municipalities further develop their strategic plans and decision-making processes. For example, in light of the importance of volunteerism in the cultural sector, further study should be given to quantifying the volunteer participation base, as reliable data on the cultural sector volunteer sector in Niagara were not available at the time of writing.

Recommended options for growth

Throughout the process of this study Niagara Region and the research team have consulted with the cultural community (via a number of Community Engagement Sessions) to discuss the needs, challenges and key opportunities for the growth and development of the cultural sector in Niagara. Combining the results of these consultations with secondary research and an in-depth analysis of case studies from other jurisdictions in Canada, the research team identified a series of Opportunities for Cultural Sector Growth in Niagara that are described in Section 6.2 of this report. These opportunities for growth offer suggestions for how Niagara Region can work to overcome some of the challenges faced by the cultural sector and leverage the region’s strengths in order to build the cultural sector’s capacity for growth. The six opportunities are as follows:

1. Strengthen and diversify local audiences for Niagara’s cultural offerings through a sustained advertising and promotion campaign;
2. Build on Niagara’s existing strength as a tourism destination by diversifying its cultural and tourism offerings as a four-season destination;
3. Establish a strong regional brand for Niagara’s cultural sector amongst potential audiences outside of the region by working with various media in a sustained campaign – with themes varied by target audiences;
4. Engage in more collaborative and complementary product development and cross-promotion with local, intra- and inter-regional stakeholders (e.g., joint promotional efforts between Toronto GTA and Niagara);
5. Establish the business case and the community development case for culture by developing data on key indicators as well as an integrated analytical framework. Ultimately, these should lead to greater investment in Niagara’s cultural sector by stakeholders at the local, regional, provincial and national levels; and,



6. As part of the development of the business case and the community development case for culture, conduct further research to measure key cultural indicators including: volunteerism, public funding, facilities, and public participation.

1. Introduction and Background

Recognizing the role of culture in “supporting a safe, healthy, diverse, culturally rich community where people of all ages and incomes enjoy a high quality of life”⁵ and fulfilling a recommendation from the Niagara Regional Council’s 2007 five-year Business Plan, the Regional Municipality of Niagara (Niagara Region)⁶ became one of the first upper-tier municipalities in Ontario to approve a Culture Plan in March 2010. The objective of the *Niagara Culture Plan* was to “create an overarching policy and planning framework including strategic directions and actions to guide Niagara Region’s support for the creative economy and development of the creative cultural sector.”⁷ Developed via extensive community and stakeholder engagement, the *Culture Plan* provides an important strategic framework for Niagara Region to work with its partners in order to foster the growth and development of a vibrant cultural sector in Niagara.

The *Niagara Culture Plan* is composed of four Strategic Directions, each with its own series of Actions that together provide Niagara Region with a set of concrete and actionable initiatives for advancing the *Niagara Culture Plan*’s vision for culture in Niagara and for supporting the ongoing growth and development of culture in the region. The first Strategic Direction—Creative Economy—has recommendations for Niagara Region to “build a diverse economy by strengthening cultural resources and the creative cultural sector to maximize their contribution to economic development.”⁸ Indeed, although the manufacturing sector is still one of the primary economic drivers in the region, recent declines in the sector have prompted Niagara Region to promote and support the diversification of the region’s economy. Niagara’s growing creative and cultural industries are a key component of Niagara’s new diversified economy.

Under the first Strategic Direction, the *Niagara Culture Plan* recommends that Niagara Region “assess the value of culture on Niagara’s economy using an economic impact assessment and cultural asset mapping to identify strengths and growth potential.”⁹ Cultural asset mapping was already undertaken as part of the development of the *Niagara Culture Plan* and now Niagara Region has commissioned the present Economic Impact Assessment (EIA) of Culture in Niagara as a step toward fulfilling its vision for a region with cultural

⁵ Niagara Region. (2007). *Niagara Region 2012-2015 Council Business Plan*. Accessed November 2012 from: <http://www.niagararegion.ca/government/council/2012-2015-cbp-text.aspx>.

⁶ For clarity, henceforth, the term ‘Niagara Region’ will be used to designate the organization while Niagara or Niagara area will be used to designate the municipalities and geographic area.

⁷ Niagara Region (2010). *Niagara Culture Plan*. Page 4.

⁸ *ibid.*, 14.

⁹ *ibid.*, 16.

vitality, economic viability, social equity and environmental responsibility.¹⁰ The economic impact assessment will not only help Niagara Region achieve the first Strategic Direction, but will also contribute to the fulfillment of other strategic directions and actions outlined in the *Niagara Culture Plan*, such as:

- “Creating and strengthening planning tools to support cultural development” (Action 2.2);
- “Engag[ing] the community in supporting ongoing cultural activities through traditional and non-traditional communication tools” (Action 3.1); and,
- “Promot[ing] and market[ing] Niagara as a cultural destination to both residents and tourists” (Action 4.2).

Moreover, this economic impact assessment will deliver important information to cultural and industry leaders, elected officials at all levels of government, policy-makers, Niagara Region, and its municipal and community partners that will inform and influence key strategic decisions. The information may be used to inform decisions about resource allocation and future investment among the many industries in the region, with the potential to increase the level of support going toward culture. It will also provide key decision-makers with important information about potential growth areas and areas for improvement to guide the development of initiatives for capacity-building, workforce attraction and retention, and industry support and development.

Economic impact assessments are also important tools for driving support and advocacy for culture, among both the public and political figures at all levels of government.

Finally, this economic impact assessment will provide key statistics about the cultural sector in Niagara, which will be an important benchmark for monitoring the progress and development of the sector in the future.

¹⁰ Niagara Region (2010). *Niagara Culture Plan*. Page 11.

1.1 About Niagara

Niagara is one of 29 upper-tier municipalities in Ontario.¹¹ Niagara is comprised of a diverse collection of urban and rural municipalities. The Niagara area is comprised of 12 local municipalities nestled between Lake Ontario and Lake Erie in southern Ontario, including:

- Fort Erie
- Grimsby
- Lincoln
- Niagara Falls
- Niagara-on-the-Lake
- Pelham
- Port Colborne
- St. Catharines
- Thorold
- Wainfleet
- Welland
- West Lincoln

The region is bordered by the United States in the East and Hamilton in the West and is located less than 100 Kilometers from Toronto.

According to the latest census data, the population in the area is over 430,000, with the largest concentration of residents being located in St. Catharines and Niagara Falls, respectively.¹²

1.2 About the cultural sector in Niagara

In the *Niagara Culture Plan* (2010), culture is defined as a multi-dimensional concept, comprised of five interconnected elements that create a sense of community and enhance quality of life: people, places, history, expression, and play.¹³

Niagara is a pre-eminent cultural area in Ontario with unique cultural and recreational assets, including natural and cultural heritage sites, award-winning community festivals and events and cultural facilities. As part of the development of the *Niagara Culture Plan*, Niagara Region undertook a cultural mapping exercise. Its objectives were “to inform planning and policy,” “to support economic development and tourism” and “to expand access and participation” in culture.¹⁴ In a similar way, the present Economic Impact Assessment (EIA) of culture in Niagara will be an important part of supporting future strategic plans for the

¹¹ Ontario Ministry of Municipal Affairs and Housing. (2008). *List of Ontario Municipalities*. Accessed November 2012 from: <http://www.mah.gov.on.ca/Page1591.aspx>.

¹² Statistics Canada. (2012). *Census 2011: Niagara, Ontario (Code 3526) and Ontario (Code 35) (tables)*. Statistics Canada Catalogue no. 98-316-XWE. Ottawa, On.

¹³ Niagara Region. (2010). *Niagara Culture Plan*. Page.8.

¹⁴ Niagara Region. (2010). *Niagara Culture Plan, Appendix 1: Cultural Mapping Summary Report*. Page.2.

growth and development of Niagara’s cultural sector. Indeed, this EIA will supplement the results of the cultural mapping exercise published in 2010, as the analysis includes many of the segments captured in Niagara Region’s Cultural Map.¹⁵

The cultural mapping exercise revealed a rich cultural base in the area, comprising over 1800 cultural assets including 950 creative cultural industries, 162 festivals and events, 484 cultural heritage sites, and more than 150 cultural spaces and facilities.¹⁶

A wealth of rich cultural and historical traditions complement Niagara’s unique environmental setting: Niagara Falls, the Welland Canal, the shores of the Great Lakes, the Niagara Escarpment and the Niagara Wine Route all combine to make Niagara a prime destination for Canadian and international tourists. In addition, Niagara’s many local festivals and cultural attractions contribute to positioning Niagara as a cultural centrepiece for Canada, as evidenced by the Region’s designation as a Cultural Capital of Canada for 2012.

Overall, although Niagara’s cultural sector is currently facing a number of challenges – particularly in terms of organizational infrastructure and resources – the sector nonetheless remains one of the area’s greatest strengths.¹⁷ Indeed, a 2006 report published by Hill Strategies reported that Niagara-on-the-Lake had the highest concentration of artists in Ontario (2.56%).¹⁸ Lincoln also had a relatively high concentration of artists at 1.02%.

1.3 Purpose and Mandate of the Study

Niagara Region has commissioned an Economic Impact Assessment of Culture in Niagara with the objective of:

- Assessing the impact of the cultural sector on the region’s economy;
- Measuring and promoting the economic vitality of culture in Niagara;
- Promoting and informing strategic initiatives for developing and expanding Niagara’s cultural sector and the area’s broader economic prosperity; and,
- Developing an easy-to-use framework for updating economic data and performance statistics related to the cultural sector in the region and tracking economic impact over time.

¹⁵ Additional detail about the scope of this study is provided further in Section 2.

¹⁶ Niagara Region. (2010). *Niagara Culture Plan – Appendix 1 : Cultural Mapping Summary Report*. Page 6.

¹⁷ The Regional Municipality of Niagara. (2001). *2011-RFP-79: Consulting Services for an Economic Impact Assessment of Culture in Niagara Region*. Page 6.

¹⁸ Hill Strategies. (2006). *Artists in Small and Rural Municipalities in Canada*. Percentage of the total population. Accessed February 7, 2013 from: http://www.hillstrategies.com/sites/default/files/Artists_small_rural2006.pdf.

Scope

In studying the impacts of Niagara’s cultural sector, it is important to use standard classifications that reflect core activities in order to ensure credibility as well as comparability of data sets through time and with other cultural regions. Thus, the present study incorporates the following North American Industry Classification codes (NAICs), in alignment with Niagara Region’s definition of culture as outlined in the *Niagara Culture Plan*:

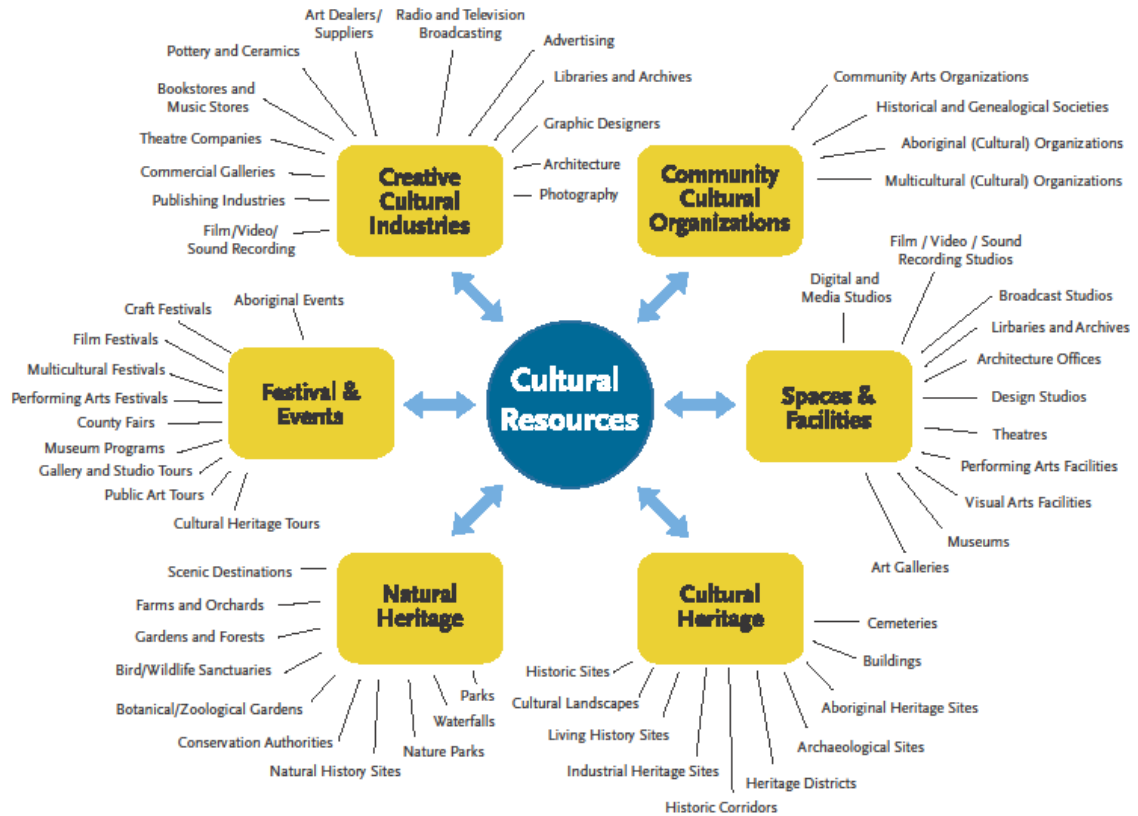
- 711 - Performing arts, spectator sports and related industries;
- 712 - Heritage institutions;
- 713 - Amusement, gambling and recreation industries (excluding 7132 - Gambling industries);
- 511 - Publishing Industries (except Internet);
- 512 - Motion picture and sound recording industries;
- 515 - Broadcasting (except Internet);
- 516 - Internet publishing and broadcasting; and,
- 519 – Other Information Services (including for example, Libraries and Archives).

The Cultural Resource Framework (CRF) used by Niagara Region is the standard framework used in Ontario as outlined in Municipal Cultural Planning Incorporated’s (MCPI) *Cultural Resource Mapping: A Guide for Municipalities* (2010). The list of creative and cultural industries included in MCPI’s framework is based on Statistics Canada’s (StatsCan) *Canadian Framework for Cultural Statistics* and reflects the North American Industry Classification System (NAICS).¹⁹ In addition, the CRF includes additional categories not found in Statistics Canada’s framework, based on the standard categories used by Ontario Municipalities and on natural and cultural heritage definitions in key provincial legislation in Ontario.²⁰ The CRF used for Niagara’s cultural mapping exercise also includes peripheral or related industries in its scope. For example it includes suppliers, wholesalers, and support industries/suppliers (NAICS 81), all of which are classified under support services, distribution or manufacturing. The figure below illustrates the Cultural Resource Framework used to conduct Niagara’s cultural mapping exercise.

¹⁹ Note that the 2010 CRF would have been based on the 2004 version of the *Framework for Cultural Statistics* that was subsequently updated in 2011.

²⁰ Niagara Region. (2010). *Niagara Culture Plan, Appendix 1: Cultural Mapping Summary Report*. Page 4.

Figure 1: Cultural Resource Framework



Source: Niagara Cultural Plan: Appendix I: Cultural Mapping Summary Report, Page 5.

The research team also consulted the frameworks used for economic impact assessments conducted in other jurisdictions in Canada. Other jurisdictions defined the scope of their analysis in various ways and used a variety of different combinations of NAICS codes in their definition of the cultural sector. The absence of a standardized approach makes it difficult to accurately evaluate the true economic impact of the cultural sector in the jurisdictions studied, and some studies may measure a wider scope than others. Thus, the research team focused on standard cultural frameworks such as the one in MCPI’s guidelines document.

For the purposes of the EIA, Nordicity has included only the NAICS codes that appear in the Statistics Canada *Framework for Cultural Statistics*, and of these only those that are focused on the primary chain of cultural production and presentation.²¹ In particular, we have excluded supplier and manufacturing NAICS from our analysis as they encompass significant economic activity from sectors other than culture and were not immediate enough to the cultural sector to be deemed prudent.

We have excluded a number NAICS codes included by authors of other studies to be categories in primary cultural production. For example, NAICS code 5413 'Architectural services, engineering and related services', was excluded as we believe this category is much too broad to be considered primarily as a cultural sector activity.

In this way, the research team adopted a scope that is limited to NAICS related to the creation, production and presentation of cultural products, where the statistics are most relevant.

This approach is more conservative and better reflects the core of the cultural sector, and therefore has a more solid methodological foundation that stands up better to external scrutiny. Nordicity focused on NAICS that covered the creation, production and exhibition of cultural products or services and excluded manufacturing and supply NAICS to accurately reflect the true impact of the cultural sector proper and not overestimate the sector's impact due to wide rim NAICS.

Since the project team's economic impact analysis heavily relied upon data from Statistics Canada's Census and CANSIM tables, it was also methodologically prudent to follow Statistic's Canada's framework and standards. This allowed for methodological continuity between the data sources and the research team's analysis.

The Key Performance Indicators (KPIs) that are incorporated in the analysis and results presented in this report include:

- Profile of the industry (i.e., number and type of cultural organizations in Niagara);
- Direct economic impact (e.g., Gross Regional Product, Employment);
- Indirect and induced economic impacts; and,
- Strengths and weaknesses within the sector.

²¹ Please note that Statistics Canada had released the 2011 update to its *Framework for Cultural Statistics* by the time work on the EIA began. As such, Nordicity used the 2011 version rather than the older 2004 version used in the Cultural Mapping Exercise in order to ensure that the most current standards were being used.

These KPIs were identified in consultation with Niagara Region as well as the cultural community in Niagara via a community engagement session held in May 2012. They were also defined in part by the quantity and quality of data available from primary and secondary data sources.

2. Approach and Methodology

The methodology used for the EIA of Culture in Niagara is composed of four component parts: (i) Community Engagement, (ii) Primary Research, (iii) Secondary research, and (iv) Economic Impact Analysis.

Each of these elements feed into the analysis and the results presented in this report in different ways. A more detailed description of each methodological component and its role in the study is provided in the sub-sections below.

2.1 Community engagement

Given the importance of this EIA in guiding the decisions and actions of key stakeholders and decision-makers in the culture sector towards growing and developing a more vibrant cultural sector in Niagara, it was critical for the research team and Niagara Region to engage the cultural community in the process.

At key stages during the process of this study a series of Community Engagement Sessions (CES) were conducted to gain input from the community on the process and what they would like to see from the study, the initial findings, and the results of the survey. As far as possible, the sessions aimed to include representatives from a variety of cultural sector stakeholder groups, including representatives from:

- Cultural businesses or organizations;
- Municipal and provincial governments; and,
- Individual artists or freelancer cultural professionals.

The purpose of the community engagement process was to ensure that the EIA would address the needs and expected outcomes of the community, and represent the realities and challenges faced by the cultural sector in Niagara. These sessions were also important in identifying, not only key strengths and challenges, but also the opportunities for cultural sector growth in Niagara. These findings are presented in Section 6 at the end of the report.

The first community engagement session took place in the spring of 2012 and focused primarily on a discussion about what data would be collected and what KPIs would be measured in the study. The purpose of the discussion was to ensure that the study addressed the specific needs of the community and reflected the realities of the cultural sector in Niagara as closely as possible.

The second community engagement session, conducted in the fall of 2012, provided an opportunity for the research team to present a preview of some of its findings to the community. The session's discussion focused primarily on the potential outcomes that could result from the EIA, as well as providing a forum for envisioning the future of the cultural sector in Niagara, which outlined some of the key opportunities and challenges that impact the sector's growth and development.

The third community engagement session was conducted in the winter of 2013 and focused on a presentation of the results of the EIA. This open house session provided an opportunity for the public to review the EIA process, key findings, and the strengths and weaknesses of Niagara's cultural sector, and future opportunities to leverage these strengths and address some of the challenges facing the sector in supporting the growth and development of a vibrant cultural sector in Niagara. The session also provided an opportunity for the public to ask questions, clarify, and/or discuss this information with members of the research team.

In addition to these three engagement sessions, Niagara Region plans to host a workshop with members of the cultural community on how best to leverage the results of the EIA and on how to collect, maintain and use such data in future. The objective of this session will be to equip the cultural community with the knowledge and tools necessary to leverage economic data both now and in the future (by updating existing data) to help them expand and develop their individual organizations, and the sector as a whole.

A summary of the community engagement sessions and open house comments is provided in Appendix F.

2.2 Primary research

In order to gather additional and sufficient data about Niagara's cultural organizations and artists Nordicity administered an online survey. The survey yielded important details on employment breakdowns and organization operating revenues and expenses as well as information on the activities of freelance professionals and independent artists. The survey also collected qualitative data from respondents regarding the most active areas of cultural activity in Niagara and the key challenges faced by the sector. A sample questionnaire is available in Appendix G.

The survey was open to respondents in the cultural sector in Niagara between June and August 2012. The survey was distributed to cultural businesses, organizations, individual artists and freelance cultural workers across all segments of the cultural sector via email, and subsequently promoted through newsletters, targeted emails to specific groups, and follow-up phone calls with those who had not filled out the survey completely.

The survey received 70% of all responses within the first month of issuance. The total number of survey responses was 225, of which 157 were complete and 68 incomplete. While complete responses were preferred, incomplete responses also provided some relevant

information and were included in parts of the analysis. This explains why some sample sizes change for different parts of the analysis.

Quality of survey results

The quality of the survey results can be viewed in two respects.

1. **Descriptive statistics:** With respect to survey results that describe the composition of the cultural sector in Niagara, the standard margin of error can be calculated on the basis of the survey responses in relation to the total number of cultural establishments in Niagara. Data from the *Niagara Culture Plan* and Statistics Canada indicate that the 225 total survey responses comprise 35% of the estimated 684 cultural establishments (businesses and independent artists) in Niagara.²² This response rate implies a 90% confidence interval of +/- 3.7%. The confidence interval widens to +/- 5.1% for those descriptive statistics presented in the report that were derived from the data reported in 157 completed surveys (there were a total of 68 incomplete survey responses, which contained partial data).
2. **Economic impact estimates:** Certain estimates of total economic activity were also based on survey data. The reliability of these economic estimates can be assessed on the basis of the employment coverage rate. Our own analysis (based on data from Statistics Canada's Census and Survey of Employment, Payroll and Hours) indicates that the total cultural workforce in Niagara was an estimated 5,812 workers in 2011 (see Section 4.2.1). The survey captured 671 cultural sector workers, or approximately 12% of the total cultural sector workforce. This response rate implies a 90% confidence interval of +/- 2.8%. In other words, the estimates of direct labour income and GRP derived from the survey results have only a 10% probability of being more than 2.8% higher or lower than the estimates in this report.

²² The *Niagara Culture Plan* indicated a total of 945 businesses in cultural NAICS in Niagara. However, when only the NAICS included in the scope of this analysis are included, the total number of businesses in the cultural sector is 244. To this amount, we added an estimate of 440 independent performers and artists (NAICS 7115), which represent self-employed individuals. The estimate of 440 was based on a figure of 400 from Census 2006, which has been adjusted by 10% to arrive at an estimate of 440 for 2011.

There are also a number of normal data collection challenges when it comes to collecting primary data of this nature via a survey tool. Some of the challenges faced during this study include:

- **Under-representation of the true population of the cultural sector in Niagara**

The main challenge with surveys is to ensure it is administered to as many members of the target population as possible. Due to the transient nature of independent artists and seasonal cultural operations, it is reasonable to assume the survey was not administered to a representative enough sample of Niagara's cultural sector stakeholders. This would mean the survey has an under-representation of the true population.

- **Respondent error in answering the questions (e.g., questions are misread or erroneous information is provided)**

This error arises due to inconsistent interpretation of questions and/or erroneous information being provided by respondents. For example, many small and medium-sized businesses and organizations do not have the capacity to keep exact records regarding volunteers and volunteer hours or other statistics required to complete the survey.

- **Errors in analysing the data**

As with any analysis there is a certain amount of statistical error in analysing the data from a survey. However, the research team has made every effort to reflect the most accurate data.

- **Incomplete surveys**

The incomplete survey error is particularly significant for the present study since the analysis included 68 incomplete survey responses. Incomplete responses are often the result of privacy concerns and/or capacity issues. For example, many businesses, organizations and freelancers are reluctant to share sensitive or competitive information such as detailed income, revenue and expense data. Incomplete responses may also be the result of capacity issues among smaller organizations that do not necessarily have the time and resources to gather the necessary data and complete all the questions in the survey. That said, the incomplete responses yielded a minimum of usable data and were therefore deemed to contribute enough vital information to be included in the analysis.

Since the framework for data-gathering and analysis was based on (and is consistent with) an income-based approach to economic impact analysis, results will provide stakeholders with a point of comparison when assessing the performance of the cultural sector in Niagara with other sectors in the region as well as with the cultural sector in other regions. The

survey also provides a basis for future economic impact assessments of the region. By periodically re-issuing data requests based on the survey distributed in the summer of 2012, Niagara region would have a consistent framework from which to update the dataset with comparable data.

2.3 Secondary research

The research team used secondary research in three distinct ways for this study.

Developing the research framework and KPIs

The project team conducted a literature scan of background documents related to Niagara, its economy and its cultural sector in order to build an understanding of the particular issues facing the area—e.g., the *Niagara Culture Plan* (Niagara Region, 2010) and *The Changing Economic Structure Of Niagara* (Niagara Workforce Planning Board, 2010), among many others. This research contributed to the development of a research framework and a preliminary list of Key Performance Indicators (KPIs) that the study would aim to assess.

The research team also referred to over 30 cultural economic impact assessments from other jurisdictions in Canada, the US and internationally in order to further develop the list of KPIs for this study. Some of the studies that were reviewed focused on a specific cultural segment, while others looked at the broader cultural sector in the jurisdiction of application. In particular, the research team drew upon national studies such as the Conference Board of Canada's *Measuring and Understanding Canada's Creative Economy* (2008); regional studies such as the 2008 regional economic impact assessment of arts, culture and heritage in the Sea-to-Sky region in British Columbia and the study of the economic impact of culture in Atlantic Canada (2004); as well as more localized studies such as City of Toronto's 2005 *Economic Impact of Culture* study and 2011 *From the Ground Up* report, and the *Shaw Festival's 2010 Economic Impact Study* report, among others. A common element in all the studies and economic impact assessments that were reviewed is their focus on employment and commerce value.

Finally, the research team referred to a number of standard statistical framework guidelines for collecting cultural data including Statistics Canada's *Canadian Framework for Cultural Statistics* (2004) and the Creative City Network's *Cultural Resource Mapping: A Guide for Municipalities* (2010). These resources were used primarily to develop the research framework for this study and to guide the development of research tools (such as the survey) to ensure that they aligned with the best practices in collecting cultural data in Canada, including the identification of which NAICS codes should be included within the scope of study (discussed in Section 1, above).

Best Practices and Case Studies

The research team selected a series of Economic Impact Assessments and cultural studies from other jurisdictions across Canada and developed them into case studies. The purpose of the case studies is to highlight what outcomes have resulted from similar initiatives in other jurisdictions. The case studies also help to demonstrate some best practices for using and leveraging an EIA to drive the development of initiatives to support the growth of a more vibrant cultural sector.

Several Canadian cultural regions were considered for the benchmarking exercise in order to better understand: i) best practices in the development of cultural clusters and segments; ii) the interrelationships among the sector, cultural workers and institutions; and, iii) the strategies adopted and lessons learned. The jurisdictions were selected as case studies based on their relative comparability with Niagara (see selection rationale in Section 5.2).

Secondary Data

The project team also collected existing data regarding Niagara's cultural sector from sources such as (but not limited to): Statistics Canada, Niagara Economic Development Corporation²³, Niagara Research and Planning Council, Niagara Workforce Planning Board, and others.

Secondary data was used directly in the economic impact analysis to determine certain KPIs and indirectly, to determine the coverage rate of the survey data.

The secondary research was also used in order to develop the analysis of some qualitative economic indicators that are difficult to capture via hard quantitative economic data (e.g., the impact of volunteerism). Providing measures of more qualitative economic drivers is important in order to lend additional context to any economic impact assessment and to provide a more complete picture of the economic activity generated by the cultural sector.

²³ Now replaced by an Economic Development Department within the Regional Municipality of Niagara.