

toronto|arts|council

submission to:

Toronto City Council

in support of 2004 budget request

January 2004

# TORONTO ARTS COUNCIL

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## EXPECTATIONS: WHAT NOW FOR TORONTO'S ARTS

In the aftermath of the municipal and provincial elections, Toronto's artists are looking forward to the future with hope, arguably for the first time in a decade.

Toronto's new Mayor and Councillors face many decisions about the kind of city they wish to sustain and create. One of the biggest decisions is how to best encourage the cultural renaissance that has been so successfully kindled by the city's artists and creators. Should a city invest in its artists? Every study suggests that such investment is repaid tenfold in terms of making the city lively, livable and a magnet for tourists.

The following document offers many compelling economic and quality-of-life arguments for enhancing the City's funding to the arts, today. It shows that directing funds through Toronto Arts Council is the most effective way to support the work of our artists. It demonstrates that arts grants, a relatively small budget line, can have a major impact on our City.

Ultimately however it is the artists themselves, in their music, theatre, literature, dance, visual and media arts, who best express the case for arts support.

"Toronto's arts, culture and heritage help define our City and make it a great place to live, work and visit. Major cultural capital projects are driving a cultural revitalization but we must take action to ensure this momentum is not lost. As Mayor I will provide the leadership that will help all Torontonians benefit from this cultural renewal."

Mayor David Miller

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“...great cities must offer much more than clean, safe streets and good transit. To thrive, cities must be dynamic and rich in culture to attract creative and innovative people. That means we must also find funds to improve our cities' education, recreation, sports, culture, arts and innovation capacity – the institutions and amenities that drive our quality of life.”

Mayor Glen Murray, Winnipeg, Globe and Mail,  
September 26, 2003

## TORONTO ARTS COUNCIL'S 2004 BUDGET REQUEST

	<u>Grants</u>	<u>Operations</u>	<u>Total</u>
2003 Base	8,168,270		
2003 Base Operations Program		739,660	
<b>2003 Base Grant</b>			<b>8,908,000</b>
2004 Enhancement - Grants	848,000		
2004 Enhancement - Operations		152,000	
<b>2004 TOTAL TAC BUDGET REQUEST</b>	<b>9,016,270</b>	<b>891,660</b>	<b>9,907,930</b>

Toronto Arts Council's Board of Directors is requesting a budget increase of \$1,000,000 for 2004.

The basis for the request is:

- Importance of the Arts to Toronto (see p. 6)
- The importance of Toronto as a supporter of artists and arts operations (see p. 8)
- The growing gap between number of applications to TAC and available funds (see p. 9)
- Dollars leveraged by TAC grants (see p. 11)
- Great Arts = Great City; a plan to meet the need (see p. 12)
- TAC's exceptional record of accountability (see p. 14)

"It is further recommended that the Commissioner of Economic Development, Culture and Tourism be requested to submit the 'Great Arts = Great City' Report, a ten-year investment plan of the Toronto Arts Council, to the 2004 budget process for consideration of a long-term funding plan."

Motion passed on a recorded vote of 37 to 3 at Toronto City Council,  
March 3, 2003.

TAC's 2004 grant request is consistent with the funding increases proposed in Great Arts = Great City. It is also consistent with the City's new Culture Plan.

## THE IMPORTANCE OF THE ARTS TO TORONTO

“Any city that aspires to greatness must be internationally competitive. But, great world cities have always been more than just economic powers. They have also been centres for the arts, creativity and innovation – a reminder that quality of life and living standards are tightly linked.”

*A Choice Between Investing in Canada's Cities or Disinvesting in Canada's Future*  
TD Economics Special Report, April 22, 2002

The impact of arts activity ranges from increased volunteerism and safer streets to higher property values and strengthened business activity. While the role of the arts in city building has long been understood intuitively, it has only recently been strongly supported by economic and academic analysis.

The oft-quoted Dr. Richard Florida argues that the most important factor facing North American cities' economic prosperity will be the ability to attract 'creative' people to live and work there. A strong and dynamic arts scene is a critical factor in making a city the location of choice.

“ The ability to attract creative people in arts and culture fields and to be open to diverse groups of people of different ethnic, racial and lifestyle groups provides distinct advantages to regions in generating innovations, growing and attracting high-technology industries, and spurring economic growth.”

*Competing on Creativity: Placing Ontario's Cities in a North American Context*  
Meric Gertler and Richard Florida, November 2002

“The arts are central to a healthy and vibrant community. They educate, inform and reflect who and what we are as a community. They are part of the very fabric that binds us together. They are also a key employment sector in the region and their strength will be important as Toronto positions itself as a centre to attract business and knowledge workers in the coming years.”

*Enough Talk: An Action Plan for the Toronto Region* by Toronto City Summit Alliance, April 2003

## THE IMPORTANCE OF THE ARTS, continued

The significance of smaller, neighbourhood arts activity is also now being documented. Of particular importance to Toronto, with its growth of at-risk populations and depressed neighbourhoods, are the findings of a recent study on arts in Chicago neighbourhoods, *Leveraging Assets: How Small Budget Arts Activities Benefit Neighbourhoods*, Diane Grams and Michael Warr, March 2003. Among their findings:

- 1) Arts Activities Leverage Assets for Neighbourhood Improvement by:
  - ✍ attracting local and non-local customers to neighbourhood businesses
  - ✍ creating new productive uses for neighbourhood facilities and underutilized or abandoned spaces.
  - ✍ providing mentorship to local youth
  - ✍ providing youth with access to technological and entrepreneurial skills
  
- 2) Arts Activities Enable Problem Solving by:
  - ✍ helping to foster collaboration
  - ✍ engaging youth as neighbourhood citizens
  
- 3) Arts Activities Build Social Relationships by:
  - ✍ developing leadership and decision-making skills
  - ✍ building cultural identities for immigrants, refugees and people of colour
  - ✍ enabling a sense of belonging to a neighbourhood by providing a structure for meaningful social interaction

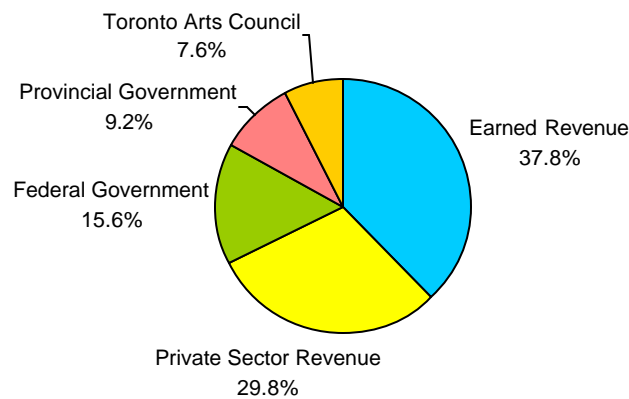
With increased funds Toronto Arts Council will be able to strengthen existing arts organizations and support the emergence of new arts activities at the neighbourhood level.

## THE CITY'S ROLE IN ARTS FUNDING

The City of Toronto has supported its artists through Toronto Arts Council since 1974. In 2002, TAC grants represented 7.6% of operations revenues to arts organizations.

The relatively small size of its investment belies the importance of TAC grants. Usually the first grant received by a non-profit arts organization, and often the only one applicable to operations rather than project or capital use, TAC grants offer opportunity to emerging and cutting edge artists and stability to established organizations.

### TAC Grant Recipients Total Revenues by Source, 2002 TAC Grants Leverage 13 times additional funding to City arts organizations



“Public funding ... is a primary means of conferring artistic legitimacy - through the peer review common to many public funding mechanisms - thereby enhancing an arts organization's ability to raise private funds, to succeed both artistically and commercially, and to generously pay back the public for its support.” McKinsey & Company report “You Gotta Have Art: Profile of a Great Investment for New York State, June 1997

TAC grants are unique in that they are adjudicated by volunteer committees made up of arts professionals representing the city's diverse cultures and neighbourhoods. Committee recommendations are approved by TAC's Board of Directors, the majority of whom are working artists. This means that TAC granting policies and programs are responsive to activity and developments as they occur within the arts community. Given that 80% of its grants are for less than \$10,000, TAC has both the expertise and the infrastructure to be a strong supporter of neighbourhood arts grants.

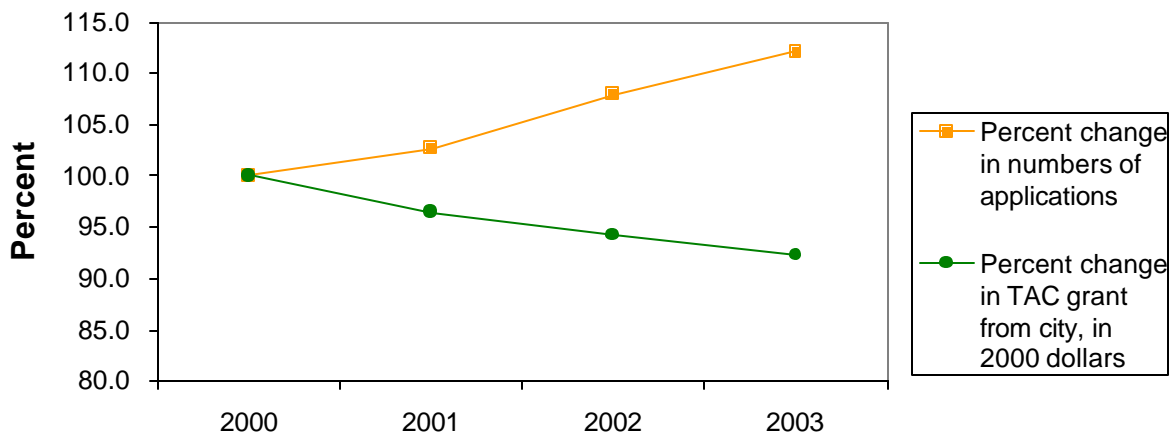
## THE GROWING GAP: TAC GRANTS DECLINE AS REQUESTS INCREASE

TAC has long been applauded by the arts community for its grants which:

- Are adjudicated by professional artists
- Are most accessible to emerging artists and arts groups; indeed TAC grants are very often the first form of public funding received
- Offer established organizations security and flexibility

There is however a point below which even the best directed funds can no longer make a significant impact. The erosion of TAC's granting power is taking us dangerously close to this point:

**TAC - Year over year change in applications vs funding**

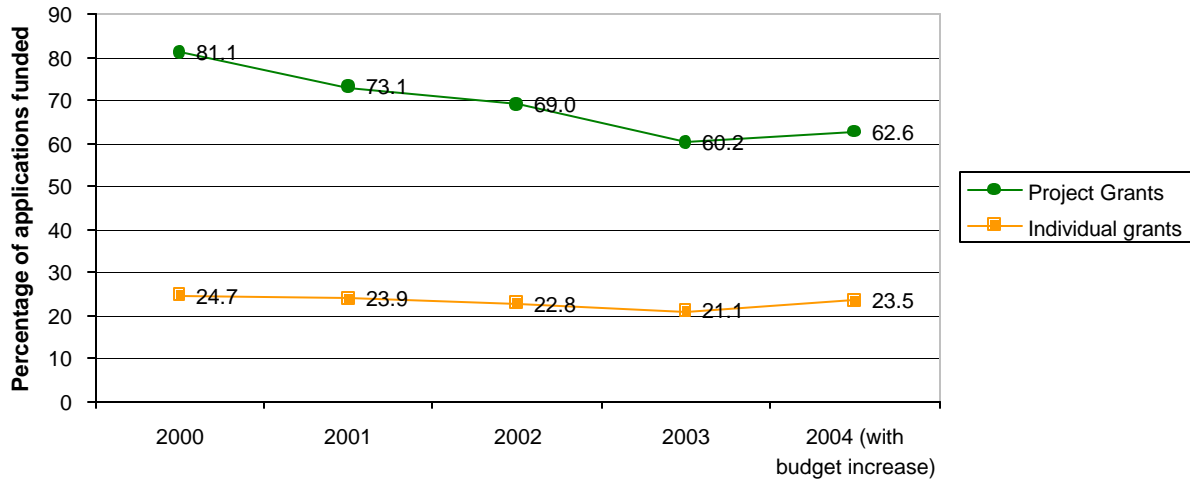


The result of this gap is that at the precise time of increased need, when the City of Toronto amalgamated and the area served by TAC increased exponentially, the resources available decreased.

Decreased resources have led to the erosion in grant levels of annual activity clients and the reduction in application success rates for arts projects and individual artists.

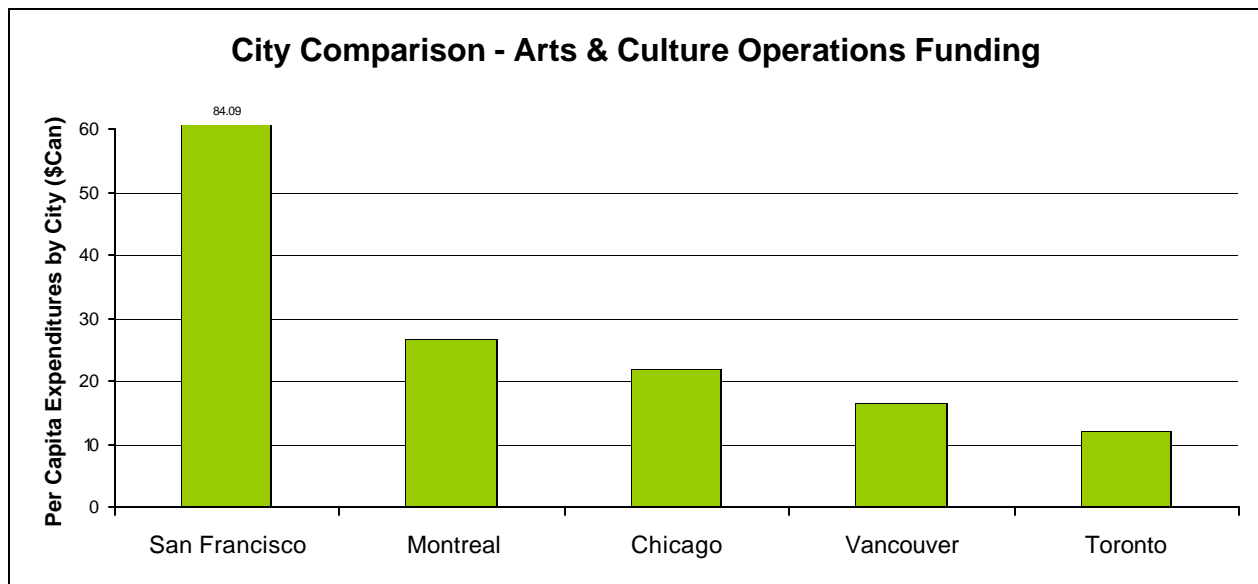
## THE GROWING GAP, continued

**TAC Project and Individual Grant Success Rates**



If City Council increases TAC's budget allocation as requested, the success rates will begin to improve.

The gap between our creative potential and reality is underscored when a comparison is made of relative levels of arts funding by other major Canadian and North American cities.



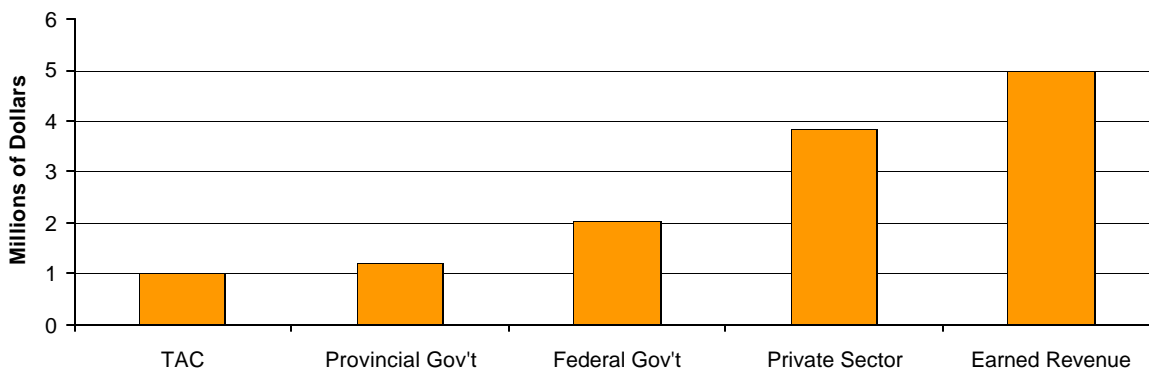
Source: Department of Economic Development, Culture and Tourism, City of Toronto, June 12, 2002

# LEVERAGE

The City of Toronto offers non-profit arts organizations and individual artists vital support through TAC's Grants Program. Not only does this support provide the foundation for Toronto's non-profit arts activity, it also serves to attract other income to the city and to define the city's quality of life.

The Board of Directors of Toronto Arts Council is requesting a \$1 million increase to its 2003 allocation from the City of Toronto. Based on current figures, this \$1 million will help attract an additional \$13 million from public and private sources.

**Additional Anticipated Revenues for TAC grant recipients,  
if \$1 Million Budget Increase Approved**



In addition to helping leverage funds, the non-profit arts community also serves as an important incubator for the knowledge economy. It is now well recognized that the commercial theatre sector, the broadcast industry, the film and design sectors all draw heavily on the non-profit arts community for their workforce. TAC argues further that innovation and creativity spawned in the arts sector contributes significantly to the generation of wealth in all sectors.

"I've never had a grant and I'm not looking for a grant... But I'm dependent on what arts granting agencies do. Over the last 30 years I've built an organization of people who have come out of the non-profit sector, and I am now employing 1,345 people. With another 10 years' investment in the arts, Toronto could become an exporter of major shows."

David Mirvish, owner of Mirvish Productions

# GREAT ARTS = GREAT CITY: A PROGRESS REPORT

Recognizing that the City has limited ability to meet the growing needs of Toronto's arts community, Toronto Arts Council Foundation launched its Great Arts = Great City Initiative in February 2003.

Great Arts = Great City provides a ten-year plan to address the arts revenue gap through increased private sector, public and audience support.

A progress report of the first nine months of the initiative is promising:

## Private Sector Support:

- George Cedric Metcalfe Foundation, Jackman Foundation and Trillium Foundation are founding partners.
- Significant in-kind support has been received from Amoeba Corporation, Bush Marketing, Pivot Design, and CJ Graphics for contributed web, design and printing services.
- TBWA, one of the world's largest agency networks, is working pro bono with TACF to review overall 'branding'.
- FLAVOUR Advertising, CBC, *The Globe and Mail*, Rogers Television among many others provided major support for Arts Week 2003, a program being redesigned for ongoing use by GA = GC as an awareness-raising tool.

While 2003 was a very difficult year for corporate sponsorship, the initiative has been very successful in establishing contact with a number of corporations, which should evolve into significant cash support in 2004. It will also be a priority in 2004 to engage the provincial and federal governments in support of the Initiative.

Toronto Arts Coalition: A growing group of individuals, organizations and corporations who care about the health of the arts in Toronto. Currently, there are 3500 individual members.

Toronto Arts Online: A searchable, web-based, events database in progress. It was used successfully during ArtsWeek, 2003 to disseminate program information for about 250 producers and presenters. When complete, Toronto Arts Online will offer the most comprehensive, accurate, up-to-date Toronto arts information available anywhere making it possible to market Toronto's arts events both locally and nationally/internationally.

Toronto Arts Fund: In the early stages of development, the Fund is designed to attract charitable gifts for re-distribution to the arts community through Toronto Arts Council's peer review adjudication system. The Fund will focus on the more complex approaches to fundraising that are not available to the majority of Toronto Arts Council clients; eg: monthly giving; payroll deductions; legacies; endowments; gifts of property, stock, insurance.

## GREAT ARTS = GREAT CITY, continued

Toronto Arts In the Workplace: Designed to encourage corporate management to increase display in their workplace of more works by living Toronto artists. Toronto Arts Council, Canadian Heritage (Toronto office) and TBWA have already arranged a number of shows in their workplaces, using the show openings as opportunities to entertain clients.

Working Groups: Volunteer working groups have been convened to assist with Arts Online, Coalition, Marketing, Fundraising, Arts Week. These working groups provide expertise, ideas and help with implementation. Currently, more than 100 volunteers are associated with Initiative working groups and advisory panels.

“We cannot afford to keep under-investing in the arts in the Toronto region. The TCS Alliance urges the provincial government to restore arts funding to 1994 levels and *all levels of government to provide at least inflationary increases annually.*”

From Enough Talk: An Action Plan for the Toronto Region by  
Toronto City Summit Alliance

# ACCOUNTABILITY

## CULTURAL GRANTS PROGRAM

TAC provides incomparable service, both to City Council and to Toronto’s arts community. As the city’s arts granting organization, TAC offers the assurance of due diligence for every grant dollar awarded. To the arts community TAC provides excellent service in terms of access, adjudication and transparency of process.

TAC's volunteer board and six arts discipline committees are made up of artists, other arts professionals and arts supporters, representative of all areas of the city as well as of Toronto’s diverse communities. City Council appoints five of its members to Toronto Arts Council's 29-member Board of Directors. Nominations for new board and committee members are received each year from the arts community, making TAC a truly representative “grass-roots” organization.

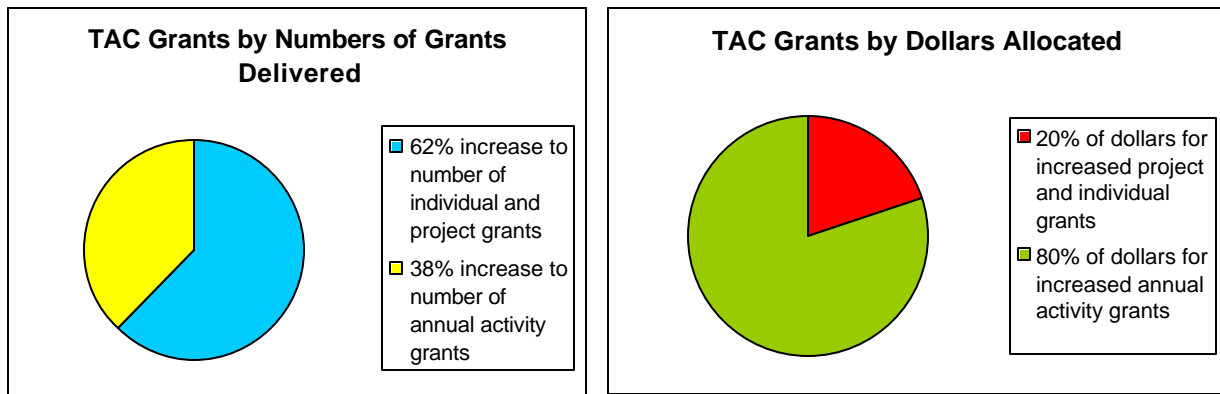
### Access to Grants

TAC serves non-profit arts organizations and individual artists across the city. Annual Activity grants support Toronto’s established and emerging arts organizations. Project and Individual grants are awarded on a one-time basis according to published criteria.

While TAC will always strive to balance granting priorities (new vs. established, relative needs of artistic disciplines, individual vs. project vs. annual activity) there are several areas of need that cannot be addressed within the current grants budget envelope:

- 1) The significant funding gap in operations revenues for Toronto’s non-profit arts organizations (see False Economy, published by TACF, September 2002)
- 2) The unacceptably low success rates for applications in TAC’s individual grants program (see p. 10)
- 3) Resolving geographic and historic inequities; and
- 4) Reaching out to underserved areas

Based on TAC’s recent granting history, it is anticipated that the \$848,000 enhancement will be disbursed as indicated in the following charts:



## OPERATIONS PROGRAM

TAC's request for its Operations Program is expressed as a percentage of its total Grant Budget Request.

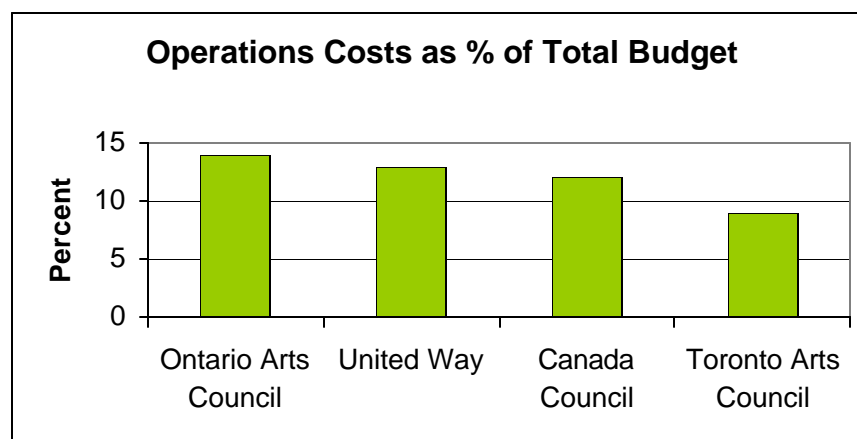
"TAC's request for its Operations Program will not exceed 10 percent of the Grant Budget Request". (section 3.2.1 of grant agreement between TAC and City).

TAC's 2004 Operations Program grant request is for 9% of the total budget request. This marks a slight increase (up from 8.3%) to allow TAC to address significant budget pressures, in particular with regard to its ability to pay competitive salaries to staff. TAC's Board of Directors has committed to bringing TAC staff salaries to within 80% of industry standards by 2004.

As a result of strong support from committed volunteers, Toronto Arts Council is able to provide operations and administration of its grants program at a cost well below that of comparable arts granting organizations (see chart). TAC is alone in maintaining its operations costs at less than 10% of its budget. However, increased numbers of grant applications, inflationary pressures and rising costs have necessitated a slight increase in TAC's operations budget, from 8.3% to 9% of the total grant.

TAC cannot continue to effectively assess, adjudicate, monitor, and administrate the increasing number of grant applications received given an environment of increasing demands for accountability, without additional operations revenue. An increase to the grants budget will result in an even greater increase in the number of grant applications compounding the need for additional operations revenue.

In the event that the Grants Enhancement is not approved, the Operations budget request may be reduced by \$70,000 to reflect reduced staff requirements and other operations costs. This could be achieved at a \$0 impact on the City budget by changing the Operations Grant percentage of the whole to 9.2%.



## TAC STATS

**9,097,000:** Number of people who attended TAC supported exhibitions, performances, festivals

**16,214:** Number of performances, exhibitions, festivals produced by TAC grant recipients

**870,200:** Number of above attendees who were children or youth

**80%:** Percentage of TAC grants for amounts less than \$10,000

**27,000:** Number of volunteers working on behalf of TAC grant recipients

**707,765:** Number of hours dedicated by volunteers to TAC grant recipients

**\$13:** Number of dollars received from other sources for each dollar granted by TAC

Statistics compiled by Toronto Arts Council based on 2002/03 calendar year.

“Given that creativity has emerged as the single most important source of economic growth, the best route to continued prosperity is by investing in our stock of creativity in all its forms, across the board. This entails more than just pumping up R&D spending or improving education, though both are important. It requires increasing investments in the multidimensional and varied forms of creativity – arts, music, culture, design and related fields – because all are linked and flourish together.”

Richard Florida, H. John Heinz III Professor of Regional Economic Development, Carnegie Mellon University

# ADDENDA

## TORONTO ARTS COUNCIL - BACKGROUND

Toronto Arts Council (TAC) was established on June 14, 1974 by (then) Toronto City Council. On April 11, 1994 TAC entered into a formal grant agreement with the former City of Toronto which recognized that TAC serves as an independent advisory body to the City on artistic and cultural matters, including the allocation of City cultural grants to organizations and individuals; that the mission of TAC is to promote the development, accessibility and excellence of the arts in Toronto at the professional, neighborhood and community levels. In December 1998, City Council designated Toronto Arts Council (TAC) as the funding body for arts organizations and artists in the amalgamated City of Toronto and in February 2002 a new grant agreement between TAC and the City of Toronto was formalized.

TAC has, therefore, a 29-year history of accountability in respect of the management of municipal funds.

It has always been thought desirable that TAC operate independently and at arm's length from the municipal political process.

TAC is governed by a 29-member Board of Directors, including five members of City Council, appointed by the Toronto Arts Advisory Corporation, a body composed of all members of City Council, plus approximately 60 artist volunteers who comprise TAC's peer assessment committees, plus TAC board members.

TAC reports to City Council through the Economic Development and Parks Committee, providing quarterly statements of revenues and expenses, plus annual, audited financial statements.

Although our arts sector is expected to attract tourist revenues, improve neighborhoods, attract high-level workers, incubate commercial technology and innovation, impress the world, generate low cost, high impact employment, and so forth, it has never been accorded sufficient resources.

TAC is also accountable to the arts community through its six active peer assessment committees. Approximately 60 volunteer artists drawn from all disciplines and areas of the City serve on these committees in order to evaluate grant applications. The Chairs of each committee serve on the Board of Directors.

The transparency and fairness of TAC's arm's length, peer assessment system of awarding grants is widely admired and endorsed by the arts community.

While TAC serves as an advocate for the arts and publishes surveys and reports from time to time, including analysis of data collected from clients, the TAC does not, as a matter of policy, offer any public comment on the voting records or performances of members of City Council, nor does TAC support or oppose the candidacy of any municipal politician.

## **TORONTO ARTS COUNCIL MISSION STATEMENT**

### Premise

A great city fosters a vibrant cultural scene and recognizes the importance of the arts to the quality of life of its citizens. Strategic municipal arts investment is a key factor in generating a healthy city economy, promoting cultural tourism, creating training and employment opportunities, and seeding the cultural industries.

### Mission

Toronto Arts Council is an arm's length body that supports the development, accessibility and excellence of the arts in Toronto.

Toronto Arts Council offers grants programs to the city's arts organizations and professional artists. These programs, funded through the City of Toronto, invest in a broad range of activities from individual creation and small start-up projects to some of Canada's largest and most renowned arts institutions.

### Operating Structure

Toronto Arts Council's volunteer board and committees are made up of artists, other arts professionals and arts supporters. To guarantee accountability, City Council appoints five of its members to Toronto Arts Council's 29-member Board of Directors.

Toronto Cultural Advisory Corporation, the body that elects the Toronto Arts Council Board of Directors, includes all City Councillors as well as all members of the TAC board and committees. Toronto Arts Council reports to City Council through the City's Economic Development Committee. Committees and juries review applications for funding and make grant recommendations to the Board of Directors. The board and committees are aided by a small, professional staff. Toronto Arts Council programs are funded through an annual appropriation from the City of Toronto.

Toronto Arts Council's two key operating principles - arm's length funding and peer review - are applied to ensure the City of Toronto vigorously pursues artistic excellence and innovation and steadfastly protects freedom of expression.

### **Core Values**

In everything it does, Toronto Arts Council strives to be:

- accessible and approachable
- inclusive and equitable
- progressive and responsive
- accountable and efficient

## TORONTO ARTS COUNCIL VOLUNTEER COMMITTEES

### **Community Arts Committee**

Rani Glick, *Chair*  
Emerita Emerencia  
Jie Hong  
Adonis Huggins  
Andrew Morro  
Phyllis Novak  
Dominique Prevost  
John Wylie

### **Dance Committee**

Rina Singha, *Chair*  
Darcy Callison  
Lee Li-Hsuan Huang  
Karen Kaeja  
Heidi Strauss  
Ronald Taylor  
Debbie Wilson

### **Literary Committee**

Christopher Dewdney *Chair*  
Judy Fong Bates  
Don Hannah  
Maria Jacobs  
Helen Porter  
Angela Rebeiro

### **Music Committee**

Andrew Craig, *Co-Chair*  
Dáirine Ní Mheadhra, *Co-Chair*  
Shelley Brown  
Sharyn Goldberg  
Timothy Longboat  
Suba Sankaran  
Cyrus Sundar Singh  
Raymond Tizzard

### **Theatre Committee**

Maggie Huculak *Co-Chair*  
Ed Roy *Co-Chair*  
Paul Lampert  
Ruth Madoc-Jones  
Eric Peterson  
Teresa Przybylski  
Taylor Raths  
Rhoma Spencer  
Michelle St. John  
Sanjay Talwar

### **Visual/Media Arts Committee**

Yvonne Singer *Co-Chair*  
Karen Tisch *Co-Chair*  
Melanie Eagan  
Andy Fabo  
Simon Glass  
Keith Lock  
Sarah Quinton