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**THE ARTS**  
**THEIR IMPACT AND THEIR AUDIENCE**  
**Arts Research Seminar No. 1**  
**September 7, 1984**

**Research & Evaluation**  
**Canada Council**  
**Nov. 23, 1984**

**T H E A R T S**  
**THEIR IMPACT AND THEIR AUDIENCE**

**Arts Research Seminar No. 1**

**September 7, 1984**

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## Introduction

As part of its ongoing research program, the Research & Evaluation Section of the Canada Council has initiated a series of arts research seminars to investigate, in a public forum, issues of concern to the arts in Canada. The first seminar was held on September 7, 1984 in the Board Room of the Canada Council. Its topic was the economic impact of the arts and the nature of the arts audience. The seminar featured Dr. David Cwi, Research Director, Amenities Assessment Unit, Department of Arts Policy and Management, City University, London, the United Kingdom.

The transcript of the first arts research seminar which follows was prepared by Claire McCaughey, Research Officer, Canada Council. It reports the research papers presented at, and the questions and observations raised during the seminar. The transcript has been edited from both taped and shorthand notes of the seminar. A list of the more than 40 participants follows this introduction. Errors and omissions are the responsibility of Research & Evaluation.

The second arts research seminar is scheduled for February 1, 1985. Its topic will be The Arts: Women and Politics. The featured speaker will be Dr. Margaret Wysomirski, Department of Government, Georgetown University, Washington D.C. A third seminar is tentatively planned for late May or early June 1985. Its topic will be The Arts: Touring and Television. I invite interested arts researchers to submit papers for the two scheduled seminars, as well as to suggest topics for future investigation. Transcripts of future arts research seminars will also be produced and made available to participants and others concerned with the arts in Canada.

I take this opportunity to thank the featured speaker, Dr. David Cwi, as well as participants of the first Canada Council Arts Research Seminar, and invite them to attend subsequent seminars. I also wish to thank Gloria Zuana, Administrative Officer, Research & Evaluation for her excellent work as recording secretary for the seminar series. And Diane Sadaka, Main Console Operator for preparing the draft manuscript. It is hoped the series of arts research seminars will insure that the importance and impact of the arts on the Canadian society and economy will be more fully appreciated by public and private sector decision makers.

Harry Hillman-Chartrand  
Research Director  
Canada Council  
Ottawa, Canada  
November 14, 1984

## LIST OF ATTENDERS

<u>Name</u>	<u>Affiliation</u>
Elizabeth Adamitz	Canada Council
David Anido	Department of Regional Industrial Expansion
Susan Annis	Celebration Arts Ottawa
David Bartlett	Canada Council
Brian Boyd	Ontario Ministry of Citizenship and Culture
Barry Bragg	Department of Communications
Nancy Burgoyne	Celebration Arts Ottawa
Krystyna Chelminska	Department of Communications
Terry Cheney	Consultant
Barry Cole	Canada Council
Rita Davies	Toronto Arts Council
Margaret Dryden	Canada Council
Michel Durand	Statistics Canada
Pat Durr	CARFAC National
Barbara Efrat	B.C. Provincial Museum
James de Gaspé Bonar	Canada Council
Real Gauthier	National Film Board
John Gordon	Statistics Canada
Gail Graser	Statistics Canada
Joe Green	York University
Gary Hanson	National Arts Centre
Jocelyn Harvey	Canada Council
Tom Hendry	Cultural Policy Report, City of Toronto
Sharilyn Ingram	National Museums of Canada

**LIST OF ATTENDERS**  
(cont'd)

<u>Name</u>	<u>Affiliation</u>
Olga Jurgens	UNESCO
Brian Kinsley	Department of Communications
Natalie Kishchuk	Department of Communications
Barbara Klante	Department of Communications
Robert Lalonde	Office of the Auditor General of Canada
Gilles Lefebvre	Canada Council
Marc Levasseur	Office of the Auditor General of Canada
Gerard Lewis	National Museums of Canada
Cameron McQueen	Department of Communications
Muktar Malik	Department of Communications
Laurel March	Department of Communications
Bill Morrison	Carleton University
Donald Mowat	Canada Council
Terry Petherick	Statistics Canada
John Roberts	CBC Head Office
Mary Sullivan	Canada Council
John Thadin	Cultural Federation of Nova Scotia
Martine Vallee	Canadian Radio-Television and Telecommunications Commission
Susan Watson	National Museums of Canada
Nadine C. Watte	Department of Communications

**THE ARTS**  
**Their Impact & Their Audience**

An Arts Research Seminar featuring  
Dr. David Cwi, Research Director, Amenities Research Unit  
Department of Arts Policy & Management  
City University, London, U.K.

**AGENDA**

255 Albert St., Rm 1616  
September 7, 1984

**MORNING SESSION**  
**10:00 A.M. to 12:00 P.M.**

**Welcoming Comments**  
Harry Hillman-Chartrand, Research Director  
Canada Council

Presentation #1: Dr. David Cwi  
**ANALYZING THE ECONOMIC IMPACT OF THE ARTS**  
10:10 to 10:30 A.M.

Presentation #2: Harry Hillman-Chartrand  
**AN ECONOMIC IMPACT ASSESSMENT  
OF THE CANADIAN FINE ARTS**  
10:35 to 10:55 A.M.

**Questions & Observations**  
11:00 A.M. to 12:00 P.M.

**LUNCH**  
12:00 to 1:00 P.M.  
(not arranged)

**TWO SHORT FILMS**  
**City Bright**  
**The Impact of the Arts on Columbus**  
1:00 to 2:00 P.M.

**AFTERNOON SESSION**  
**2:00 to 4:00 P.M.**

**Welcoming Comments**  
Harry Hillman-Chartrand, Research Director  
Canada Council

Presentation #3: Claire McCaughey  
Research Officer, Canada Council  
**SURVEY OF ARTS AUDIENCE STUDIES**  
2:05 to 2:25 P.M.

Presentation #4: Dr. David Cwi  
**ANALYZING THE ARTS MARKET**  
2:30 to 2:50 P.M.

**Questions & Observations**  
2:55 to 4:00 P.M.

Sponsored by  
Research & Evaluation  
Canada Council

## Welcoming Comments

Harry Hillman-Chartrand  
Research Director  
Canada Council

The purpose of this seminar is to transfer some social and management scientific knowledge concerning the arts to arts administrators. As in the arts, the social sciences generally look at problems from different and sometimes conflicting perspectives, and today we will have the opportunity to consider two very different approaches to arts research. On the one hand, we will consider an analytic, micro-economic approach at the arts organization level. And on the other, we will consider a synthetic overview of arts research at, relatively speaking, the macro-or national level.

I'd like to introduce our honoured guest today, Dr. David Cwi, Research Director of the Amenities Assessment Unit, Department of Arts Policy and Management, City University in London. Dr. Cwi, as you will hear, is not British. His main office is actually in Baltimore, Maryland. Dr. Cwi is a perfect example of the cross-over between the non-profit and the profit sector. Dr. Cwi operates a commercial consulting firm, David Cwi Associates, and has done contract work for a number of commercial clients in tourism, recreation, and gambling. In addition, he is the executive director of a non-profit institute, the Cultural Policy Institute in which capacity he has contributed a very large and growing body of work in the emerging field of arts research, particularly in two areas, economic impact of the arts, and the composition of the arts audience. Dr. Cwi -

**ANALYZING THE ECONOMIC IMPACT OF THE ARTS**

**by**

**Dr. David Cwi**

**(Abstract of Presentation)**

Dr. David Cwi is President of David Cwi & Associates in Baltimore, Maryland, and Director of the Cultural Policy Institute. He is well known for his research on the arts, and is an active arts consultant. He has recently been appointed as Visiting Professor to the City University, London, England, to assist in the development of a new unit for cultural assessment. He is currently finishing a book for the National Endowment for the Arts and U.S. Conference of Mayors on how cities support the arts.



This morning I hope to orient you to the prevailing style of arts impact analysis, and the contributions we have made to clarifying and analyzing the economic effects of the arts. I will focus particularly on some of the ways in which the arts are viewed as influencing the economic development process in the city, as well as some other factors bearing upon economic impact studies.

Most research devoted to assessing the economic impact of cultural activities is sponsored by local or state arts councils. Sponsors may cite a general perception that the arts are a frill or a drain on the local economy. They want to attack this perception, and they need economic impact numbers. Almost any number will do as long as it's less than the Gross National Product and greater than zero! Public agencies are in competition for government funds, and sponsors use the studies as part of the political process.

Most economic impact studies of the arts focus on arts organizations, and usually ignore the impact of individual artists and craftspersons. Their impact is a fascinating question in itself. It is likely that the economic impact of individual artists vastly exceeds the aggregate impact of individual arts institutions, but it is a question that is rarely examined.

To understand the impact of arts institutions, let us focus on cities and their need for increased jobs, investment, tax revenues, and personal income. A city focus is appropriate because that is where we find most arts activity. Studies of the economic impact of the arts in cities usually revolve around their direct and indirect effects as local business enterprises, and the local community income and jobs traceable to arts programs.

Direct effects refer to expenditures made with local vendors by arts institutions, their employees, guest artists, and audiences. These funds are used by local vendors to pay their employees, who in turn spend locally, and buy business goods and services. And at each round of spending, dollars are leaked from the community. For example, when we buy a car, a large portion of our cheque ends up with the auto manufacturer. Indirect or "multiplier" effects are identified through inter-industry analysis and other methods. Eventually, all arts-related spending leaks entirely from the community, with portions leaving at each round of spending. The total indirect effect is the aggregate value of all rounds of local spending.

In order to estimate the direct effects, information is needed on audiences and their spending, as well as local spending by an institution, its employees, and guest artists. The multiplier indirect effects are estimated by multiplying the direct expenditure by a multiplier. The size of the multiplier is itself a debatable question. Multiplying the amount of the direct effect by the multiplier gives the total value of spending in the community associated with the institution.

This narrow perspective on institutions and audience-related local spending tends to ignore questions raised by the regional economist. We can ask, for example, whether the identified multiplier effects would have occurred in any case. To the extent that the demand for the arts is largely local, the arts vie for dollars that might have been spent locally anyway.

From the regional economist's perspective, the focus needs to be on the significance of the arts to the community export base. This export base point of view suggests that an activity is important to regional economic growth if it brings

new dollars into the community through export sales (or keeps dollars in the community by restricting imports of goods, services and labour). An industry may not be a direct export earner, but it can be indirectly important if it supports local industries that are export earners.

Thus, for example, in towns or cities, an economic enterprise such as a manufacturing plant is seen as bringing in revenue from sales of goods. It also provides jobs, and buys goods and services in the community from local suppliers. In this way, money has been brought into the community, and spent locally. In contrast, a food store is perceived as largely recycling dollars brought into the community by the manufacturing plant whose workers wish to patronize the store. Thus the closure of a manufacturing plant, which brought dollars into the community in the first place, would have a greater impact on the community.

Arts advocates argue that arts activity earns export income through sales to tourists or out-of-town visitors. Our data suggest that the typical arts group is not a significant export earner in the sense of bringing in dollars from outside the community. Typically, the proportion of out-of-town visitors in a performing arts audience is under 10 per cent. However, museums may attract a considerably higher proportion of their visitors from outside the region than the performing arts. There are, of course, examples of significant tourist interest in "flagship" events.

In general, the differences in the drawing power of performing arts organizations versus museums stem from a number of factors. Museums may be open daily and admission may be free. On the other hand, the admission price to performing arts events may be high, tickets may only be available through the box office or subscription, and there may be only a few performances a year.

The effects discussed above encompass the structural role for the arts in local economic development. However, aside from viewing the arts as simply one set of economic activities in the broader economy, the arts can also be seen as having a strategic role. The arts can influence the processes by which economic development occurs. These would involve, for example, improving the distribution of economic activity and investments by households and firms in order to ensure revitalization of places within the region.

This is bound up with, on the one hand, a recognition that arts activities and facilities can help to draw people to redeveloped downtown areas. By transforming the downtown or other locations from commercial centres into evening and weekend entertainment centres, the arts can also help to facilitate the success of tourist, convention centre, and other entertainment strategies by adding another "people magnet" and supplying another market for area restaurants, bars, and other businesses in the vicinity of the arts activity.

Other effects on the development process include the degree to which cultural activities affect business and executive location and recruitment decisions. This is essentially a quality of life issue. The degree to which the availability of arts amenities is important in attracting firms and personnel is difficult to measure. However, it is to be suspected that the more highly skilled and trained the work force, the more they will be attracted to a community with a wide range of arts amenities, because the arts audience tends to be drawn from this class of people. At the same time, the arts sector should be viewed as one among many quality of life elements that people consider: a range of amenities from skiing to the availability of the arts can be taken into account.

Thus, the most we can establish clearly is that the arts are an integral part of all local economies. If an arts organization went out of business, however, the economic impact might not be that great. In the United States in 1980 there were few arts organizations with \$1 million in annual revenues. It is illuminating to note that a typical MacDonald's on the corner earns at least \$1 million in sales annually.

**AN ECONOMIC IMPACT ASSESSMENT OF THE CANADIAN FINE ARTS**

by

**Harry Hillman-Chartrand**

Harry Chartrand was born in Ottawa, Canada in 1948. He received his Bachelor of Arts, Economics in 1971, and his Master of Arts, Economics in 1974 from Carleton University in Ottawa. For ten years he operated his own consulting firm Futures, Socio-Economic Planning Consultants working in the fields of intergovernmental finance and cultural economics. Since December 1981 he has served as Director of Research for the Canada Council.

Mr. Associate Director, staff of the Canada Council and representatives of other arts agencies, councils and departments, honoured guests, ladies and gentlemen:

### **Prelude**

As a prelude let me answer the question: what can an economist know about art? At the worst of times, one knows one is like a barbarian auxiliary defending Roman civilization and culture against one's own kind. At the best of times, one knows one ponders a profound human value which must be maximized with scarce resources, low popular preference, and evolutionary potential capable of transforming human consciousness. At times like this, one knows one reports what are, at least to the professional philistine, the "facts" - the facts of statistical inference; the facts of expert opinion; the facts framed in a simple conceptual model of the arts, their primary, secondary, tertiary and quaternary economic impact.

### **1. The Arts**

In contemporary Western society the arts include the literary, media, performing, and visual arts. Together they form a distinct sphere of human behaviour. In turn the arts are part of a larger cultural sector which includes architecture, the crafts, fashion, heritage, multiculturalism and official languages. There are three distinct types of contemporary art: the fine arts, the commercial arts, and the amateur arts. Collectively they comprise the "arts industry".

The fine arts are a professional activity which serves "art for art's sake" just as "knowledge for knowledge's sake" is the rationale for "pure research" in the sciences. Each fine arts discipline has generally recognized standards of professional excellence. Production is based upon the professional artist, and the non-profit corporation.

The commercial arts are a profit-making activity which places profit before excellence. The two need not be mutually exclusive. The fine arts often use the commercial arts to distribute product including recorded music, books, films, etc. When distributed through commercial channels they do not cease to be fine art. Production is based, however, upon the for-profit corporation.

The amateur arts are a "recreational" activity which serves to re-create the ability of a worker to do his or her job, and/or a "leisure" activity which serves to "self-actualize" a citizen's creative potential, and permits one to more fully appreciate life. Production is based upon the unpaid individual, and the voluntary association.

The three are intimately interrelated. The amateur arts, in actualizing the talents and abilities of the citizen, provide an educated audience and initial training for the fine and the commercial arts. The fine arts, in the pursuit of artistic excellence as an end in and of itself, provide research and development for the commercial arts. The commercial arts, in the pursuit of profit, provide the means to market and distribute the best of the amateur and the fine arts to an audience large enough and in a form suited to earn a profit.

## Primary Impact

Primary economic impact refers to the direct and quantifiable contribution of the fine arts to: (1) production; (2) consumption; (3) employment; and (4) capital investment.

1. Production: The arts industry includes advertising, broadcasting, motion pictures, the performing and visual arts, publishing and sound and video recording. A 1981 census of manufactures comparison of the 20 largest Canadian manufacturing industries, and the arts industry reveals that the arts industry is the largest with employment of 237,000; the 6th largest with salaries and wages of \$2.5 billion; and the 11th largest with revenue of \$8 billion or 2.4% of GNP, equal to the Canadian telecommunications industry. The fine arts generated \$250 million in direct expenditures.

2. Consumption: The fine arts audience has high levels of education and is the most socially and politically active segment of Canadian society. In 1977, 32% of the labour force had some post-secondary education, by 1985, 38%, and by 2000, some 6.7 million or 45%. Furthermore participation in fine arts activities is growing twice as fast as attendance at sports events. In 1981 Canadians spent 1.6% of GNP on arts activities.

The Merit Audience: There are two parts to the merit audience - private and public sector donors. The corporate sector is, to a great extent, the successor to the Di Medici as patrons of the fine arts. In constant 1971 dollars, corporate support was \$3 million in 1972, and \$3 million in 1982. Over the period the corporate sector invested \$112 million current in culture. Private donors tend to be cautious and conservative and are the largest support of music and opera, while the Canada Council is the largest supporter of dance and theatre.

Excluding public broadcasting, cultural support by the three levels of government grew from 0.6% of public expenditure in 1971 to 0.7% in 1981. If public broadcasting is included, however, no growth is apparent in public support. Between 1973-74 and 1984-85, federal support, e.g., declined at an average annual rate of 0.1%. Thus any increase in other cultural support was at the expense of public broadcasting. The only new source of cultural support developed during the 1970s was lotteries, both public and non-profit. By 1980 lotteries provided an additional 10% of tri-level cultural support, excluding public broadcasting.

3. Employment: There are two distinct arts-related employment populations. Together they include 414,000 workers or 4% of the Canadian labour force in 1981. In fact arts-related employment is nearly as large as the agricultural labour force and total federal government employment including crown corporations. The first group is the arts labour force made up of workers who use arts-related skills in their day-to-day jobs such as artists and arts technicians including curators, librarians and camerapersons. Between 1971 and 1981 the arts labour force grew 74% as compared to 39% for the labour force as a whole.

The second group is the arts industry labour force made up of workers employed in arts industries. Only 35% of the arts labour force are employed in the arts industry, the rest work in industries from mining to banking. Between 1971 and 1981 the arts industry labour force increased 58%. Artists represented 24%, technicians 18%, administrators 8%, and other support personnel 50%. Some 52% were men and 48% were women, compared with 60% men and 40% women in the total labour force.

The 1981 census of manufactures comparison between the 20 largest Canadian manufacturing industries and the performing arts reveals that of every revenue dollar earned by manufacturing companies only 20¢ was spent on salaries and wages. In the performing arts, 66¢ of every revenue dollar was spent on salaries and wages. Given that average wages in the arts are less than half those in manufacturing, then dollar for dollar the performing arts enjoy an employment advantage of six-to-one. Furthermore the fine arts provide meaningful employment with a high level of job satisfaction, long-term career commitment and appreciation of human capital, not depreciation of capital plant and equipment.

**4. Capital Investment:** The arts embrace a complex network of invested capital including distribution, exhibition, performing, production, storage and training facilities. It is "guesstimated" that these facilities are worth billions of dollars. Furthermore a touring network links communities with impresarios, local sponsors, artists, arts organizations and facilities.

**Copyright:** While art is highly valued, it can be copied easily. In modern society, creative effort is protected from piracy through intellectual property legislation. In the arts, social sciences and humanities, legislation creates copyright, related neighbouring rights and trade marks which are the legal foundation for the industrial organization of the arts. Consider a literary work which becomes a play through the licence or sale of the author's rights. In turn, the play becomes a film which, in turn, is spun-off into posters, toys and a sound track. The film and sound track are then broadcast on radio and television. Eventually a book is made about making the movie and a sequel to the movie is then produced. All this based on the work of a single artist.

The creative artist is the wellspring of the arts industry - there have been many Hamlets, but only one Shakespeare. However, the contemporary creator is in a permanent struggle with his or her predecessors and foreign colleagues. There is an existing repertoire bequeathed to the present by the past, and by foreign sources, as well as a flow of new indigenous works created in the present, only some pass the test of time.

**New Technologies:** The new communications technologies have interactive implications with the fine arts. (a) In the midst of the current communications revolution the fine arts serve to maintain the linkage with our collective cultural heritage and thereby provide some sense of continuity in a period of turbulent transformation. (b) The fine arts are a cost-effective testing ground for artistic goods and services before they are commercially exploited through the new communications technologies. (c) The fine arts provide creative and emotionally satisfying applications of the new technologies otherwise biased by the linear, commercial rationality of business and government. They can put a "human face" on these technologies. (d) As in the Renaissance, the artist will use the new technologies to create new art, but in the process will develop a new generation of technologies in serendipitous response to the artistic motive.

### **Secondary Impact**

Secondary economic impact of the fine arts concerns their indirect but quantifiable contribution to the "income multiplier effect"; to industrial design and marketing; to industrial location; and to external trade.

**1. Income Multiplier Effect:** The income ripple effect of the arts industry was \$16 billion or 5% of GNE in 1981. The fine arts amounted to \$0.8 billion.

2. Design & Marketing: After consumer products work well, people want them to be attractive. Good design depends on the availability of artists, the depth and quality of a nation's artistic tradition as well as consumer habits. Higher quality consumer goods are generally imported from Europe, not because of superior production technology, but because European consumers have historically compelled producers to provide better design and higher quality. This contrasts with the Canadian consumer who traditionally has traded off quality in favour of convenience.

When European design advantage is combined with the wage advantage of "off-shore" producers, then the domestic manufacturer is left with a narrowing "mid-range market". Robotics may lower domestic costs, but only improved design will provide access to upscale consumer markets.

The fine arts also play a role in marketing. (a) Advertising is application of the literary, the media, the performing and the visual arts to attract consumers and increase sales. (b) The fine arts also serve as a market research tool providing insight into consumer trends and styles. (c) The upscale fine arts audience is, in and of itself, an increasingly important target market, evidenced by growing corporate sponsorships.

3. Industrial Location: The trend for firms to locate according to amenities has been amplified by the shift from traditional "smokestack" to high tech industries. To attract and retain scarce, highly trained workers, companies and communities must offer increasingly attractive amenities including the fine arts.

The fine arts also play a role in urban revitalization. First, arts facilities and activities draw large numbers of people from the suburbs as well as tourists who in turn support business in the urban core. Second, the fine arts can revitalize urban centres through "artists' colonies", e.g., Yorkville in Toronto and Soho in New York City. Low incomes force artists to live in the cheaper neighbourhoods but when they do so they change the ambiance and image of the neighbourhood leading to "gentrification" by "Yuppies", i.e., young, upwardly mobile professionals.

4. External Trade: The fine arts serve to improve the balance of payments. (a) Domestic fine art goods and services are substitutes for foreign cultural products. (b) Through festivals and the international success of Canadian artists and artistic enterprise, the fine arts attract increasing numbers of foreign tourists. (c) The non-profit fine arts act as a "loss leader" for other Canadian producers projecting Canadian standards of excellence into world markets.

### **Tertiary Impact**

Tertiary economic impact of the fine arts concerns their direct, non-quantifiable contribution to (1) industrial innovation; (2) the productivity/employment trade-off; (3) a diversified industrial structure; and (4) volunteerism.

1. Industrial Innovation: The fine arts foster and promote an innovative psychological and social climate conducive to invention, innovation and diffusion of new technology. They sensitize entrepreneurs, managers and employees to the context of change and enhance our ability to respond to change in a positive and constructive manner.



2. Productivity/Employment Trade-off: Productivity depends not only on capital plant and equipment, but also on the motivation of the work force. It is estimated that the cost of low managerial and worker motivation is 20% to 40% of GNP. The fine arts increase worker motivation and hence productivity. In addition, the fine arts are employment efficient and can absorb some workers displaced by technological change, as well as some young people entering the labour force for the first time.

3. Industrial Structure: The fine arts play a role in maintaining a diversified industrial structure. In high tech industries, it is recognized that small entrepreneurial businesses are best able to respond to rapid technological change. The arts industry was the first to adopt this structure.

4. Volunteerism: The fine arts are part of the volunteer or "third sector". The fine arts organization with a volunteer board, professional artistic and administrative directors, artists, technical and support personnel and volunteer auxiliaries is a unique experiment in social mobilization. In addition, women have played a major role in founding arts institutions, unlike in other sectors of the economy.

#### **Quaternary Impact**

Quaternary economic impact of the fine arts concerns their indirect and non-quantifiable contribution to (1) the quality of life; (2) cultural identity; (3) cultural pluralism; and (4) preferred alternative economic futures.

1. Quality of Life: Quality of life is the end towards which economic activity is ultimately directed. It is also a means feeding back to promote a highly motivated and conscientious work force and thereby economic growth and productivity. The fine arts are a critical element in quality of life.

2. Cultural Identity: The fine arts play a role in the development of cultural and national identity by uniting people in celebration of their common heritage and by forging lasting ties among people who ordinarily would be divided by race, age, religion or income barriers. To the degree the fine arts contribute to such ties, they contribute to the development of a more integrated national economy.

3. Cultural Pluralism: The fine arts contribute to diversity, tolerance and understanding of alternative life styles and thereby contribute to an economy with a prerequisite level of tolerance and understanding required for people of different backgrounds to work productively together.

4. Preferred Alternative Economic Futures: Six alternative economic futures were reviewed - the "limits to growth" & "no limits to learning" scenarios of the Club of Rome, Gamma's "conservator society" scenario, Daniel Bell's "post-industrial society", Porat's "information economy, and my own "quaternary sector" scenario. Each has three common features. (a) Each suggests quantitative growth will not be the central focus of the 21st century economy. (b) Each suggests that qualitative growth through production of "learning", "knowledge", "information" or "quaternary goods and services" will be the focus of the future economy. (c) In each the fine arts have a significant role to play in realizing their "preferred future state". The fine arts are non-polluting. They foster innovation. They are "information rich" - they are our "ultimate software". They maintain our traditional values such as "progress" of the individual and of society. At the same time they are employment-intensive and offer an employment-efficient policy complementary to a high tech, productivity-oriented, industrial strategy.

**QUESTIONS AND OBSERVATIONS**

**Morning Session**

David Bartlett:

I am interested in this regional approach to impact studies of arts activities. Broadcasting done in metropolitan areas pulls money back to the place where the broadcasts are made, whether the money comes from what we would consider to be the "arts", actors, cameramen, script writers and the like, or whether it simply comes to technicians and janitors of the studio. The CBC budget, for example, flows disproportionately into Montreal and Toronto, and to some extent in the public affairs broadcasting into places like Ottawa; it doesn't flow very much into places like Winnipeg or Regina, let alone London or Windsor. I'm wondering about that metropolitan notion, and whether there are any studies that would help to expand on that.

I like the notion of the strategic as distinct from the structural impact, and it strikes me that a magazine like the New Yorker has a significance for the economics of the city of New York that goes far beyond the simple earnings and expenditure of the New Yorker magazine. It would be important to the magazine, I should think. Can you enlarge on that metropolitan notion?

David Cwi:

What you're correctly pointing out is that the economic benefits flow to where the enterprises are located. And if the enterprises are located typically in metropolitan areas then your 2.6% of GNP, which the arts industry represents, will tend to go to where the workers are. If the workers are located in the industries, and the industries are located in the metropolitan areas, it's those centres that predominantly benefit. This is one of the reasons why individual artists began to intrigue me because, on the one hand, they will tend to go to where their markets are. But, on the other hand, increasingly, they are transportable in a way that the broadcast industry maybe isn't. It wants to be located where all the designers and the technicians are because it requires a whole set of support labs around it. And this will tend to form economies of scale in metro areas, in a way that can't be done for an individual artist.

I was working with the City of Patterson, New Jersey, which had a large historic district based on mills. We were trying to come up with artists' housing, and take advantage of this "gentrification" kind of concept. The structures were such that it was conceivable to relocate sculptors because they were being offered industrial space. These particular artists don't have to be located in the centre of Manhattan for the creation of their works. In fact, the nature of their production is such that they couldn't be, because they would get into all kinds of zoning and other problems by doing that. So the individual artist, depending on his medium, can be almost a manufacturer, and this kind of individual is movable, shiftable, and attractable in an industry sense, in a way that broadcasting maybe is not.

I met someone in the computer graphics field who is working in the middle of Utah. The technology for that kind of software is such that he can be anywhere there's a phone line because everything is digitized. In the same way, an author now can be anywhere there's a phone line. However, except for these kinds of activities that don't require a big support apparatus of linked enterprises, industries do tend to be in metropolitan areas.

Bill Morrison:

Dr. Cwi, you talked in terms of a regional approach to the impact studies. If I were a national policy maker, looking at the country as a whole, would I then simply see reallocations going on within the country? In other words, would I see any welfare change in the country as a whole, or would I simply see reallocations occurring over time?

David Cwi:

I guess what you're asking me is: are we stealing from one region for another? That's a good question, because I'm not sure that it doesn't apply to any kind of economic activity. I'll answer the question obliquely. The reason that I started with this regional approach is that the typical client for an economic impact study happens to be somebody who's located in a town. In other words, the sponsors of these things do not tend to be national governments interested in shifts in income across the country, and who is benefits or loses due to the activity of the industry.

One way of answering your question would be to say that by promoting the arts we're stealing money out of small towns and pumping it into urban centres. However, the client tends to be the city, which wants to know if it builds a performing arts centre, what the benefits will be to the town and/or arts group. In that case it doesn't make sense to ask the question: what is its impact on the GNP of the country? Rather, because its impact is predominantly local, the question should be: what is its impact locally? The policy makers who have an interest in those studies tend to be the town planners rather than national bodies who can make, I suppose, little use of the outcomes of such studies, though they might be somewhat interested in the raw data.

Bill Morrison:

Yes, I understand. But I was imagining a large urban centre which already had some form of cultural activity going on, and then a smaller centre perhaps nearby which, although it didn't previously, now all of a sudden has some cultural activity. People within a given geographic area may then attend the smaller centre as opposed to attending the larger centre, as they did previously. Overall, would there be any change in economic activity?

David Cwi:

There can't be much of a change, simply because that secondary centre is going to be such a small enterprise that in terms of the total regional economy it's not going to be significant. To answer your question would be like going after a mouse with a bulldozer. To the extent that we view the arts as essentially a leisure activity, we assume that they're substituting new arts centre activity for something else, some other expenditure that they would have made anyway. I think we tend to view the arts as a leisure activity where somebody's discretionary dollar is being spent for one thing instead of for another.

Rita Davies:

Dr. Cwi, you said that only 10% of tourists come to a centre specifically for cultural events.

David Cwi:

I said something like 10% of tourists.

Rita Davies:

You then went on to give the example of Baltimore revitalizing its downtown centre initially through the use of festivals, which brought a large influx of people from all over to the downtown area. If we wanted to make a connection between tourism and the arts, would you say that the use of festivals, as opposed to the regular sphere of arts and cultural activities, is a drawing card?

David Cwi:

You're bringing up some nice issues. The broader question is: what is the linkage between the arts and tourism? There is more potential for certain kinds of activities to have importance for tourism than others. If I said to you that there is an activity that is not available to a large number of tourists because it's almost sold out locally to local residents, and that it is of a kind and a character that the tourist can find something equal or better in his home town, would you say that activity was important to tourism for that city?

Rita Davies:

Yes, I would.

David Cwi:

As a tourism planner, I would say that it's probably not important. Let's take the example of a small town which has its local symphony in a hall of 1,500 seats. It's almost sold out by subscription. There are only a hundred seats left. The calibre of the symphony is such that an out of town visitor can get equal or better in his home town. There's no incentive for him to go to that symphony. That symphony only performs six or seven times anyway, so it's only available to tourists who happen to be there at the time of the performance. That is less of a tourist resource than an historic house; that is unique in character and kind; is open all year round from the hours of nine to five, and that the whole family can go to. Normally you don't tend to dress up and take your family to the symphony.

It seems to me then that there are certain kinds of cultural activities that are more likely to be important tourist resources than others simply because they can accommodate more people. In museums you can have a throughput of 300,000 or 400,000 people. Because there are more of them available, and they are more likely to be unique, people would be attracted to seeing them. The museums in our samples all had anywhere from 30% to 80% of the people in them at any point in time as non-residents of a metropolitan area. So certain linkages are valid.

We just did a piece of work in Gananoque. We were looking at campers, and other people who were drawn to the Thousand Islands area. These people happened to be active arts attenders, and were interested in going to a summer performing arts centre if one were built there. So it is possible to develop arts activities that are responsive to the arts interests of people who might be there for other reasons. Your season for the fine arts is the fall and the winter, which for a lot of places is not the tourist season. The museum, on the other hand, is open all the time.

In the Berkshires this summer, I happened to be working on a feasibility study, and talking to a hotel operator who had a tour package out of Boston for the Berkshire Ballet. To him this was important because he filled up maybe 20 rooms a weekend over 4 weekends, which in a 109-room hotel was a lot of rooms. It was clearly worth his while to try to put together a kind of an overnight stay up in the Berkshires.

Obviously there are some linkages there. They begin with simply getting cultural activity on the planning agenda for purposes of promotion with the tourism authorities, so that when tourists come they know these museums and other activities are there. The tourism authorities can then contribute to the development of specific promotion oriented towards target tourist populations. There is less room for that within the performing arts, because there is less availability of product, and less availability of it on a regular basis. It can be generally promoted to tourists as available to them only when they arrive.

John Thadin:

Unlike Coriolanus and perhaps more like Petronius, I prefer bread to circuses! There are still defences that we can believe are realistic in the second half of the twentieth century. I'm referring primarily to the question: what is the primary impact? To me the answer lies in looking at perhaps the theory of social welfare economics, in looking at public goods theory, and at the products of fine arts whether they are intermediate products, joint products, or complementary public goods that cannot be sold. Perhaps you cannot sell a ballet without a video production of it? These are issues that are usually considered when we talk about defence production, but we never really consider them when we talk about fine arts. That's one possible way out of the dilemma.

Perhaps another way is to look at the question in terms of Marshallian economics, and say, like the oil industry. One day the sheiks woke up, realized they were the primary producers, and raised the price. We, as consumers, are still paying for it. In other words, linkages in industries are sometimes quite unconsciously, or perhaps, even consciously, left untouched or unexamined. I'm talking about economics, and the fact that this end of culture has never really been tackled in quite the same vigorous perspective.

David Cwi:

Actually it has. Most of the literature in the sixties addressed itself to the problem of the logic of public support of the arts. The apparatus that was brought forth to justify public support of the arts was a welfare economics kind of an approach. Principally it was the notion that there is market failure for the arts requiring government intervention. My early career was devoted to analyzing these arguments. Most of them boil down to the following. If you say that there's market failure, that implies that there's some ideal level of supply, and that there's not enough of it if we let the marketplace do its thing. To me it is a purely political judgement as to how much is enough.

I once asked a symphony devotee: how many times in his life should somebody go to the symphony? He replied: every day. I said: I have a contrary view; I think a person should go once in his life, and there ought to be one symphony that tours the country. The truth is somewhere in between. The market failure argument to

me boils down to politics, and it depends on a given point of view about price, supply, and variety. To me, it's not an argument for economists, it's an argument for politicians. So I stay out of it.

The other notion is that certain activities are of such merit that we can't trust them to the free market. These are called merit goods. There probably are merit goods; but this is not an exercise in economics; it's an exercise in politics. The political process determines which goods are merit goods. That's what it's there for. Are the arts a merit good? I stay away from those questions. The only questions I get involved in are if you want a certain supply, or have a specific objective. I'll give you your strategies, I'll tell you your options, I'll give you the cost, and I'll tell you the political downsides and upsides. But I don't get involved in whether these should be your objectives, except to help you clarify them, to make sure that that is what you really want to do.

John Thadin:

Supposing we had a pure Marshallian world, where supply actually met demand.

David Cwi:

I think we do.

John Thadin:

But in the oil case...

David Cwi:

Don't you think there's an oversupply of arts? Sure there is. We want it to be that way.

John Thadin:

They said there was an oversupply of oil until they actually raised the price.

David Cwi:

They didn't just raise the price; they messed around with supply as well. I remember talking to someone from Holland who argued that there is an oversupply of art in Holland. He said it's important to face that issue because if public policy encourages a new group to occur, it kills off the prospects for an already established group to succeed because there's only so much audience. If you keep feeding supply to the market, you dilute demand for any one person seeking to get an audience, and you kill off everybody. So that the question of how many arts groups the market will support is not a trivial question.

To some extent, at any point in time, given certain levels of public subsidy, there is a certain level of demand, and somebody really does have to ask the question as to whether or not there is not an oversupply. It's certainly the case that there's an oversupply of bad arts activity. That is undesirable. Whether or not there's an oversupply of good arts activity is arguable.

Harry Chartrand:

In terms of the market failure argument, there has been a recent contribution to the literature in Canada by Steven Globerman at Simon Fraser University entitled "Cultural Regulation in Canada". After drawing the same conclusion from a neo-classical perspective, i.e., in general the market failure argument in the arts does not justify public subsidy, there was one argument which stood up. This was that fine arts are like research and development. Therefore you must have an oversupply of bad art so that you can get 1% good art -- which could be the new Shakespeare, or the great contribution to future generations.

There are, of course, many, many schools of economic thought, and the neo-classical one, which looks at Marshallian perfect competition, still must go back to its roots -- something called political economy. In this context, we cannot walk away from the fact that the allocation of resources in the Canadian economy is fundamentally affected by political decisions.

Brian Kinsley:

I like a lot of the arguments that have been put forward, and I only wish that there were more serious people here than me to listen to them, because we've been trying to make these arguments for years. I'm sure that even today our superiors are off discussing strategic overviews, and trying to prove that the arts have to be economically feasible! I think we've heard this morning that that's probably the false approach to take.

You talked about arts spending being largely discretionary, which I would concur with. But if we consider it discretionary, then it is unlikely that this money is going to be spent on additional hamburgers at MacDonald's because you can only eat three times a day. You don't want to go out and eat again just because you have the extra money, so you're going to spend it on some other form of discretionary spending. To what extent can we argue that spending it locally on the arts, rather than spending it on a gadget that's maybe made somewhere else, either outside of the community or perhaps outside of the country, would retain it in the community?

That leads to another point. Do we tend to be a little bit parochial? I think this point came up, and I just want to emphasize it. It's one thing to say my community is going to benefit because I'm going to draw resources from other places. But how about at the provincial, the national, and the international levels? Ultimately we want a fair exchange across borders so that our whole society benefits. I think this is a broader issue, and something we tend not to tackle when we look at these economic impacts.

David Cwi:

There's a bias to suppose that the arts aren't a real industry, to say that insurance is a real industry, and that the arts are what doctors' wives do! What I was really trying to get at when I said that we tend to view the arts as leisure was the perception that somehow they are a frill. I think a lot of what Harry was trying to do with his numbers was simply to put the arts within a framework that makes them serious to those people that are serious about real industries, to show that they employ a lot of people and so on.



The broader question is that there are certain kinds of consumption that we don't think are healthy, or that have some social cost to them. That is really what the merit good issue is about. Inherently we suppose that going out and getting drunk is not as healthy or enriching a consumption act as going out and taking in an arts activity. I'm both attracted and repelled by that because I never think of art as religion. I am bothered when I hear it said that there is some higher set of needs that art responds to, because that diminishes every other consumption act that somebody gets involved in.

Your other point is that there are probably economic reasons to encourage arts consumption, simply because the arts are labour intensive. And you're right. If you're buying a video and staying at home, you may have contributed less to the local economy because of all that income earned by the video store whose owner has no overhead and labour. In that case, your life may not be as joyful, and you have probably contributed less to the economy than if you went to the local performing arts centre, unless they brought in a road show. Because if they brought in a road show, you'll ship that money out faster than if you spent it at the local video. So it really requires that it be a locally produced arts activity.

Harry Chartrand:

One question mentioned by Dr. Cwi is the issue of import substitution. This is the other side of the equation. In terms of regional economic development, certainly in places like the Maritime provinces with support programs of DREE and other programs, this has become one of the central questions. In Canada every time a Canadian is going to a live Canadian play he is not watching American television.

Having a full tummy does not necessarily mean you have a full life, and the pressures of these other needs begin to emerge once you've satisfied basic survival requirements. One of the difficulties I find with the professional philistines is that economic production is not viewed as a means, but as an end. Fortunately we live in a society where one can actually have a discussion like this, discussing the fact that we now have new, pressing, very deeply felt needs for such things as artistic experience and artistic expression.

David Cwi:

I think it's more important for people to be producing art, than to be spectators watching it. I don't see how human happiness is advanced one iota by going to the symphony, unless you are someone who is attracted to the symphony. I think human happiness is advanced by your realizing talents you didn't know you had, not as a spectator, but as a participant. There's a crying demand for more participation in the arts, in the sense of actually having opportunities to produce art. This is an area about which I have some sensitivity because I really have problems with the idea of art as religion or as a source of meaningfulness in existence.

Brian Kinsley:

That introduces the next part of my question. It's related to the big numbers talked about in the context of the arts industry. If you're going to start using the big numbers, there's a danger that you tend to expand the arts production side to make it look good, and you tend to downgrade the consumer side. Maybe you

should look at the consumer side as the basis of a comparison, and ask how much money is spent on the arts as opposed to other things, or how much time is spent on the arts as opposed to eating, sleeping and so on. We know for instance that an individual spends 1% of his time on expressive activity, whether it's arts or sports, 2% eating, and 30% sleeping.

That puts it in a little different perspective than trying to say that agriculture is roughly the same in terms of GNP as the arts. That is an unfair comparison because what goes into agriculture nowadays is not what went into agriculture fifty or sixty years ago. Fifty or sixty years ago the farmer did all the packaging and selling himself. Now these have become specialized tasks, and the farmers only produce. He turns this product over to somebody else to package and sell and retail and repackage, and add chemicals to. We should perhaps be comparing the primary sector to the arts. Does it stand up as well? Of course not. Does it stand up if we compare it to the whole food industry? Of course not. So I think there's a danger in pushing the numbers around just for convenience.

David Cwi:

I think the real question is the purpose for which we are putting together the numbers. As I said, the typical purpose has been political because you want to show that this sector, however it's defined, is of more significance than you had thought, and does have job generation effects. It is to make people aware that for political and other economic reasons, you ought to give more attention to this sector, and a higher priority than otherwise you would have.

I tend to be unable to look at definitional, aggregational, and those kinds of issues, apart from the specific context and purpose of assembling the numbers. One of the interesting things about today's session is that no one has asked: why do an economic impact study? Apparently the discussion has raised a number of issues in people's minds about which they hoped for comment, and which I am delighted to supply, but no one has linked this kind of work to any particular purpose for having it. Harry's approach -- to start with the product of the artist, and define the industry as everything that then buys and sells it and manipulates it -- is a better way, I think, to define the arts industry than to talk about it by discipline. Looking at economic transactions involving the arts product is the right way to do it, if one is doing it nationally.

Harry Chartrand:

The basic question from my perspective is that we are in a competitive society. Recent changes are probably going to make it even more competitive. In terms of the national accounts and the public accounts of governments, the budgetary item is called "recreation and culture". Over the last 10 years, at the local and the provincial level, there has been a significant decline in relative support to the arts relative to sports. At the same time demographic change suggest that arts support should be going up relative to sports. To have the numbers, as Dr. Cwi is suggesting, is to be able to say that this particular trend is important.

Unfortunately we have certain values in our society which are very materialistic in their orientation: if it's not physical, it's not real; if you can't count it, it obviously doesn't exist, it's purely an abstraction. Increasingly we are, I think, in competition with other sectors for private spending and public

support. We need the numbers to indicate the importance of the arts and arts support. For example, sixty-five per cent of the people using arts-related skills in their day to day jobs are employed in industries other than the arts. To me it was a surprise to realize, using the census data, that the entire economic process from mining to banking employ large numbers of arts-related personnel including illustrating artists, copywriters, designers and others using arts-related skills.

David Anido:

We've been victims here in Canada of Pentagon strategic analysis via the Harvard Business School. It's like a jumbo jet captain who claims his wings even though he's never been out of the simulator. We evaluate ourselves out of the ball park before we get anywhere. In tourism we are product-specific. We have to be, in the sense that we have a plant which is Canada, and a product which is anything that turns on the tourist. We also have a problem, and that is while tourism is a multi-billion dollar industry employing over 1 million Canadians, we're losing \$3 billion a year because Canadians travel elsewhere and spend their money. At present we are undertaking a study on the tie-in between tourism and the arts, which is becoming increasingly important for a number of very good reasons.

We believe that we can attract more long haul foreign tourists who are purchasing round the world tickets because in the long run it's cheaper with maximum stopovers. Canada is a land-bridge between Europe and Asia. More and more Latin Americans are coming this way. We have another land-bridge south of our border which has places like Disneyland and Disney World, which we can probably never compete with. So when we look at Canada, we have to identify ourselves as having a unique and attractive product to present to these tourists. They will then stay more than one bed-night (which is the definition of a tourist), and spend their money. We get a lot of what we call "rubber-tire" traffic from the United States. But we're not interested in people who are visiting friends and relatives because we want them to stay in hotels, and rent cars.

The point is that when we look around at the market research that's being done in major markets we see that the average tourist is better-educated than he or she used to be. There is also a massive increase in the number of women entering the market, so we do market research on the female market. Women, it seems, tend to prefer city life. The cities are in fact the locomotive of the economy.

We divide Canada, the product, into two things -- outdoors and indoors. Then to hedge our bets we tie the two together by saying that the proximity of the indoors (the city) to the outdoors (the wilderness) is so easy that you can get more bang for your buck. The point is that in terms of a Canadian identity there is one very specific product that seems to be Canadian, and that is the Canadian arts community. Many Japanese go to Charlottetown to see Anne of Green Gables -- cliché maybe, but nonetheless it's tourism. Everybody knows about Stratford, the Shaw Festival, and many other things that are going on. And we do add the Calgary Stampede, and the Klondike Days into this ambiance.

Nonetheless, I have my question. You suggested that the subscription to arts events perhaps prevented a lot of willing tourists from purchasing seats.

David Cwi:

I said a difficulty in access to the seats.

David Anido:

Correct. I understand, and I agree with you. In terms of marketing communications in the long term, arts companies are planning three or four or five years ahead, and so are we. I'm wondering whether, through the travel trade and the wholesalers in the industry, we can plan way ahead, and actually sell tickets as part of a package for tourists.

David Cwi:

I developed a national entertainment data base on cities in the United States. It's on line now through "Apollo". Because I wanted to make an impact on the tourism area, I figured this was the quickest way to do it. Someone goes to a travel agent and asks about Baltimore. Baltimore comes up on the main menu. The travel agent asks him what he wants to know about. Sports? Museums? Attractions? Festivals? Events? Stars and shows? Within that menu you have everything you could possibly want. The only problem is where to put a science centre, which is both an attraction and a museum. The data base is structured so that you immediately get the name of the attraction, the city location, the phone number, the date (if it's date specific), time, admission, and a brief description. Our first attempt was just to get the information on line so that somebody had it before they arrived.

The next problem is the selling of the tickets. There's an outfit in the Netherlands, which has a number of offices country-wide, and I can go into any of them anywhere in the country, say that I'm going into Amsterdam, and be able to buy a ticket. So the ability to somehow link up different places so that anybody at any point in time can get a ticket is something like what happens with Zap Mail and Federal Express. When you've got a network of these tourism centres all you've got to do is stick a terminal in every one of them. The tourists might be willing to pay the premium that would be necessary. Possibly they could be run as a government monopoly.

The other thing is the whole concept of these TKTS booths. It was Vincent Marron who started that up for the Theatre Development Fund. It might be worthwhile getting Vincent to come to Canada to talk to you about how these things are run. Making it somehow convenient for a tourist to get a ticket is the important point to me. The problem is that you can't offer that service if there's limited supply. Worrying about the distribution of tickets, making the information available so that someone who is planning a trip to Canada already knows what is on, getting the agents used to giving them that information, and then coming up with the special package and promotions -- to me that is the key.

However, you have to be careful. Miami had that wonderful Third World Arts Festival. But they did it in the middle of summer when nobody goes to Miami! I don't think American Express sent a single package down there. It was a total failure. It's much easier to start with what you have, and peddle that. The notion of developing some new festival is the first thing that tourist people are attracted to, and it is the path of most exposure to disaster. Establishing a world class festival does not guarantee that the world is going to flock to it. There aren't too many examples of that being a success.

The arts are a component of a general information system. You can put anything on there for the tourist. I would start with improving the information

process, making it easier for them to get tickets, and packaging what you already have. And again I don't see the arts attenders as just being interested in the arts. They've got to have something else to do. The arts are at night or in the afternoon. What are they going to do for the rest of the time? You've got to give them the whole package. There's a big market there among these affluent, upscale, and typically self-directed individuals.

Some of the interesting studies show that the majority of these people are self-directed. They don't come in a bus. That's a whole other market. That's a market for musical comedies, and they want to see Robert Goulet. Let's go and see Bob! It's 55 year old, 65 year old men and women who want Robert Goulet. Work in this area really needs to concentrate on targeting the product to the segment. I don't think the tourism or arts people appreciate the fact that this arts market is as product-specific as anything else.

Tom Hendry:

We had Marcel Marceau at Stratford, and one evening there were 2 old men in the balcony, with a lot of other people. Marcel was doing his act with the butterflies. One old man said: "Louder! Louder! I can't hear." The other old man said: "You're not supposed to; he's a mime." The first old man replied: "I don't give a damn. Louder!" I feel like I'm missing something here somehow because I do have some specific problems, and they have to do with finding an appropriate sizzle for a steak I do happen to believe in the nutritional value of -- namely, the arts.

I'm working on a study for the City of Toronto. I think we are probably a net exporter of goodies, of people and art. But I don't know how to measure...

David Cwi:

What do you need to measure?

Tom Hendry:

We have a meeting between economic useful things and political useful things in that we tend to replace imported with Canadian arts activities and products. What we're gradually eating into, I suppose, is the film market. That's the predominant entertainment market here in Canada, and most of the films come from somewhere else. We do not have a good record in making films, partly because we don't have any film writers, but we do have a good record in supplying the teams and so forth. Gradually what's happening is that we are replacing imports, and Toronto in national terms is in the position where at any given time perhaps 500 to 1,000 members of the artistic force -- actors, dancers, and so forth -- are somewhere else, working in Winnipeg or Vancouver or wherever. At the same time the amount of material available on a given night has expanded over the last 15 years, maybe 1,000%. That leads me to believe that we must be a net exporter, that the arts are no longer parasitic on the Toronto economy, that in fact they are developing some sort of a profit element.

The fine arts are non-profit organizations, which means that they are not really allowed to accumulate any wealth by operating efficiently, and saving some of the subsidy which they would normally pass to users. When things do make a profit in Toronto, what happens is this, and I'll give you a real example. We had a festival, the Toronto International Festival. I haven't seen the final data yet from

a study of the impact of the festival, but the hotel keepers of Toronto have reported that room usage was up 13% this June (when the Festival took place) over last year. They did not expect an increase this year; they expected a decline. They've had a number of bad years, and they expected it to get worse because economic conditions are generally worse in their perception. That translates in their minds into \$30 million extra into Toronto in tourism terms for the month of June. The tourism figure for Toronto last year was something like \$220 million, and this year it's up 13%, giving a figure this year of something like \$260 million.

Now what happens to the money that is brought into the community? Some of it is paid out for goods and services to take care of the people who will come and spend the money. That's all taxed -- or a great percentage of it -- by the provincial government at 7% by some form of sales tax. Part of it, maybe half of the \$30 million, is paid out in salaries and wages and ends up as profits. And if that's taxed at, say, an average rate of even 25% -- more like 30% when you add federal income tax and provincial tax -- then a fair portion, perhaps up to about \$6 million of the profit and salaries element, is taken in taxes. I'm not an economist so this is very sketchy...

David Cwi:

Part of our economic impact studies concerned fiscal impact. We were trying to find out if the arts generated as much in taxes as they receive in tax support.

Tom Hendry:

But this is the problem that I'm getting to. As part of my study, I spoke with a man who looks after tourism in the city. They would like to have another festival as soon as possible because they would like to see another extra 13%. I believe that they have determined that about a quarter of the people who paid for tickets stayed overnight, or came from more than 100 miles away. So that was good for business. In provincial subsidy, that festival took in \$1.5 million, and in federal subsidy the same amount. In municipal subsidy between Metro, the envelope, and the City of Toronto, it took in another \$0.5 million roughly. But it looked to me as though they probably gave back, in various forms of taxes, probably about \$10 million. Now, it will be a difficult job to convince the hotel keepers of the difficulty for the city to be in control of the decision to have another festival without having a room tax or something like that. The city has very limited taxing powers, and is the creature of the province which does not want to let go of any taxing powers whatsoever.

The lobbying job to get back some of the \$10 million that went in taxes, in return for the \$3 million in subsidy, is going to be horrendous because they will say: we just gave you \$3 million, what more do you want?

David Cwi:

I thought that for someone who pretended not to understand at all what's going on this morning, you understand better than most. In fact, your statement to the effect that you think that the arts work force may be a major earner of income for the community, is exploratory and interesting.

Columbus, Ohio now has a hotel/motel tax, a portion of which goes to the arts, principally because they were part of a national study we did for the NEA. There

are a lot of hotel/motel taxes in the United States from which the arts benefit, but which they are not the sole beneficiaries of. Generally, hotel/motel taxes are oriented towards tourism, and unfortunately that money ends up going to convention and visitors bureaux.

They already had the community convinced that the arts were important because they had an arts council -- that quasi-public agency of long standing and high repute -- which had movers and shakers in the community on it, and the mayor and other officials ex officio. So the climate was right to get a portion of those revenues from that tax for the arts, and we supplied them with the ammunition to do it. What I said before in my talk is that there's no substitute for that prior stage setting of sensitizing people to the issues and the political commitment, and reaching out into the community to convince them of the importance of the arts. The information itself isn't what does it. It's getting the right individuals, who happen to be the right advocates in city councils. I would imagine that in order for you to get a hotel/motel tax, there would have to be some enabling legislation from a higher authority which would give you the right to have such a tax at the local level.

It certainly would be interesting, and probably relatively easy to do, to establish that more tax revenues were generated by the festival than were taken in. Is there a market for another festival? Is another festival going to bomb? Can you pull it off year after year after year?

Tom Hendry:

Experience is that with repeated things in Toronto, we are creatures of habit -- they succeed better the second time.

David Cwi:

Normally before somebody spends money they like to have a plan for how it's going to be spent. Imagine yourself just going to a private donor, and saying, give me a cheque please. They tend to say: tell me about your organization! Without some kind of development plan, a scenario which makes it clear to everybody what the impact of this is going to be in the community, and how the money is going to be spent, and an indication that the ideas are feasible and make sense, I don't see you getting anywhere. The package has to say more than: by the way the arts are an unanticipated resource generating more in tax revenues than they're getting! You have to say: give us \$10 million, here's what we're going to do with it, here is the impact that it is going to have. It's when you have that total package that you're going to be able to get the attention of some public sector decision maker. Without that he isn't going to want to talk to you.

## **A SURVEY OF ARTS AUDIENCE STUDIES**

**Presentation by Claire McCaughey**

Claire McCaughey was born in Belfast, Northern Ireland in 1956. She received her Bachelor of Social Sciences from the University of Ottawa in 1978, and her Master of Arts, Economics from Queen's University in Kingston in 1979. She served for five years as a research economist with the Economic Council of Canada, and since January 1984 as Research Officer at the Canada Council.



This presentation is drawn from a report entitled A Survey of Arts Audience Studies: A Canadian Perspective 1967-1984. What I am going to do is summarize the main findings of the report, and talk about the size, characteristics, and behaviour of the Canadian arts audience.

### Socio-demographic Composition of the Audience

I've found in a number of audience studies a statement to the effect that we already know everything about audience demographics. In fact, performing arts audiences have been studied a great deal, but visual, literary, and media arts audiences have been somewhat ignored. Even within the performing arts there are enough unanswered questions to warrant further study. For instance, very little is known about the participation of children, but they represent quite a significant segment of the audience -- a little over 20 per cent of the Canadian performing arts audience. This is an important question because the children of today are the audience of tomorrow.

The arts audience differs significantly from the total population in its socio-demographic composition. The most striking thing is the degree to which educated individuals participate. In the performing and the visual arts, well over half, and often over three-quarters, of audience members have some kind of post-secondary education. And of these, a very high proportion has a university education. To a lesser extent, this is true of the book-reading audience, although because of the difficulty in making a clear-cut distinction between readers of popular and literary forms, it cannot necessarily be concluded that the literary arts audience is less educated than for other art forms.

In the media arts, the link with education is difficult to establish mainly because there have been no studies of film art or video art audiences. Something is known, however, about viewers of cultural television programs (which are media extension of art rather than media art). The proportion of frequent viewers of cultural television programs with further education after high school is slightly higher than in the population at large, but amongst occasional viewers it is significantly lower.

Through education, especially arts education, individuals are exposed to a social milieu in which the arts are performed, exhibited, and discussed. But education need not be directly related to the arts in order to influence arts participation. Appreciation of the arts derives to a great extent from the ability to think abstractly, and abstracting is a skill that education teaches.

Besides education, the other characteristic which is most consistently related to arts attendance is gender. Women greatly outnumber men in performing arts audiences, especially in the dance audience. In one study of the dance audiences I looked at women represented 85 per cent of the audience. In the literary arts audience, women are also more active than men, although they are more active readers of fiction than non-fiction. In the visual arts there are too few Canadian studies to derive a consistent pattern, although the trend seems to be for women to slightly outnumber men in public art gallery audiences, and for men to outnumber women in public museum audiences. This pattern is certainly in line with what has been found in American audience studies. Commercial film is the only media art form where men appear to be more actively involved than women.

International comparisons reveal that women dominate arts audiences to a much greater extent in North American and Australian arts audiences than in European audiences, such as those in Great Britain, Sweden, and France. The exception was the case of dance, where in every international study I looked at women far outnumbered men in audiences.

It is sometimes speculated that the high proportion of women found in surveys is the result of response bias. Some have argued that women are more likely to respond to surveys than men. Others have argued the reverse. However, since no study has ever been made of response bias it is an unresolved question.

The age profile of the Canadian population is changing as a result of declining birth rates. While the proportion of the school age population is falling, the proportion of the population in the 20 to 34 age group has grown from 20 to 27 per cent of the population between 1971 and 1981. This is the post-war baby boom generation born between 1947 and 1961. This young educated cohort of the population is both the mainstay of the current audience and the audience of the future.

Although arts participation is also linked to income and occupation, there seems to be some consensus that education is the more important determinant of arts participation. Canadian, as well as American, studies indicate that there is a significant relationship between arts participation and income. But the association with income does not necessarily mean that high income causes arts attendance, because both income and arts attendance are in turn determined by education. In other words, you are more likely to find a well-educated, poor individual participating in the arts than a less educated, wealthy individual. However, there may be some proportion of high income arts patrons who participate for social reasons or for whom the arts are conspicuous consumption.

Arts participation is also more prevalent amongst certain occupation groups than others. Professionals and managers are the best represented occupational categories in the arts audience in relation to their numbers in the population. They consistently represent a significant proportion of arts audiences, often as high as 60 per cent. White-collar occupations (excluding professional and managerial groups) are also a numerically important audience group, though the proportions vary a great deal from audience to audience. Students and housewives are also well represented in arts audiences, though again the proportions vary a great deal. Dance, particularly contemporary dance, seems to have a high proportion of students in the audience, somewhere between 30 and 40 per cent. Blue-collar occupations are poorly represented in the arts audience.

There is another group that surveys don't usually tell us much about, and that is artists themselves. Only one study I came across showed the proportion of artists in the audience, and it found that they represented 5 to 10 per cent, with the highest proportions in the contemporary dance audience.

### Frequency of Attendance

Audience characteristics differ between frequent and infrequent attenders. In contrast to infrequent attenders, frequent attenders tend to be active patrons of several art forms, and active in many other leisure activities as well.

Education is the variable most consistently related to frequency of attendance across all art forms in Canadian surveys -- much more so than income or occupation or even gender. Frequency of attendance at performing arts events, and the visual arts, increase with education. In the book-reading audience, although a higher proportion of individuals with post-secondary education are readers than those with less education, there does not appear to be any difference in the amount of reading done by individuals with different educational backgrounds.

Income, on the other hand, is not consistently related to frequency of attendance. In the dance audience, the average income of frequent attenders tends to be lower than that of infrequent attenders, while the opposite is true of music and theatre audiences.

As far as age is concerned, participation is highest amongst young and middle age groups, except in music and opera audiences which tend to be older and contain a large proportion of subscribers. Older individuals, especially those over the age of 65, seem to be underrepresented in the arts audience as a whole, except when they are subscribers. But age is not consistently related to frequency of attendance. In dance audiences, the median age of frequent attenders is lower than amongst infrequent attenders, again in contrast to music and theatre audiences.

There are also differences in the number of times a year patrons go to see different arts events. Something which is particularly striking is how frequently music patrons go to concerts. The average frequency of attendance is something like 7 times a year. The actual number of music patrons is small but they seem to be a very committed audience. By contrast, theatre-goers go to the theatre between 4 and 5 times a year. And dance and opera-lovers go on average between once and twice a year.

### Subscribers

Audiences with a relatively high percentage of subscribers tend to be older than audiences with few subscribers. For example, in the Stratford Festival audience 17 per cent of subscribers were over 65 years of age, but only 7 per cent of first-time attenders were over age 65. Music and opera audiences which tend to be the most heavily subscribed of the performing arts, also tend to have an older age profile than other performing arts audiences.

### The Size of the Arts Audience

The overall size of the arts audience is difficult to determine because there is a high degree of overlap between audiences. In the performing arts, theatre patrons are often also dance and music patrons, but there is less overlap between opera and other audiences. Performing and visual arts audiences also overlap to a large extent.

The following figures give some idea of the size of different audiences, but these are really more "guesstimates" than estimates. The performing arts audience represents between 2 and 3 million individuals, but this estimate does not include all professional companies, and it excludes patrons of amateur groups. Public art gallery audiences are estimated at over 2 million individuals. And public museum audiences are of a comparable size to art gallery audiences. The literary arts audience is estimated at over 2 million for non-fiction, and over 3

million for fiction. There is no evidence on the size of the media arts audience, but there is information on the size of the audience for cultural television programs; it is estimated at over 5 million individuals.

Another way of looking at the size of the fine arts audience is to look at the proportion of the population with some post-secondary education because education is so obviously linked with arts participation. In 1981, 28 per cent of Canadians had some post-secondary education. This would represent a fine arts constituency of over 5 million adult Canadians.

The proportion of the population with post-secondary education is projected to grow to 38 per cent by the end of the century. The arts audience as measured by this proxy has grown, and should continue to grow, at a much faster rate than the population as a whole.

### Behaviour of Arts Patrons

The behaviour of the arts patron is bound up with a complex set of aesthetic, economic, psychological, and symbolic influences, so that to single out one factor, such as price, as being more important than the others is rather misleading. Economic factors undoubtedly do modify behaviour to some degree. But the basic underlying motivation for being or becoming an arts patron is interest. The spectator goes to the ballet or opera or art gallery for aesthetic pleasure or enjoyment. He may also engage in fantasy or subliminal identification. The spectator relates to a work of art by drawing on his own experience. He is not a passive participant but an active one.

The arts consumer, whatever his motives for participating in the arts, is, however, subject to economic constraints. The cost of participating in a given arts activity has to be considered in light of other choices and relative to other costs. The price of substitutes is particularly important because technical progress is making available more and more substitutes of continuously improving quality in the form of television, video cassettes, and recordings, although of course, media extension of the arts is not a perfect substitute for live performance because there is a special quality about live performance. The arts patron also has to consider other costs of going out to an event such as parking, eating out, babysitting, and so on.

The crucial question is the degree to which price affects access to the arts. In the performing arts, the average real cost of attending measured as box office expenditure per spectator has declined from \$2.75 to \$2.02 in constant 1971 dollars from 1971 to 1980. In current dollars the increase is from \$2.75 to \$5.11. Over the same period performing arts attendance has more than doubled.

In the long term sense, however, the response of arts patrons to changing prices is usually considered to be limited. Appreciation of the arts is a skill and a taste developed over a long period of time and at considerable cost. So that if the relative price of attending falls, individuals lacking the skills to appreciate a given art form will not necessarily become arts patrons. On the other hand, if the relative price rises, those who have previously acquired skills as well as interest do not easily give up being arts patrons.

Aesthetic, psychological, and symbolic reasons for arts attendance are also important. Symbolic or social reasons can involve, on the one hand, conspicuous

consumption. On the other hand, symbols have a wider meaning in a social sense for the arts. In the words of Toffler, "the ability to detect patterns and to relate symbols back to their referents lies at the very root of aesthetic taste, whether it is in music, literature, drama or the dance".

There are few theories indicating exactly what the aesthetic response is and what influences it. The environment in which the aesthetic response takes place is probably a significant factor. In the visual arts, for example, the room in which a painting or sculpture is displayed seems to influence aesthetic response.

Traditionally, economics has had little to say about the aesthetic or psychological factors that influence consumer behaviour. However, linear rational models of consumer behaviour do not really adequately represent all kinds of consumer judgement. The arts patron is subject to many influences other than cost, and the actual consumption process does not simply involve a straightforward adding up of costs and benefits. Human beings require novelty for psychological growth, and the emotional stimulation that novelty brings. Novelty is to some extent what the arts provide. For novelty to be enjoyed, however, it must be combined to some degree with what is already familiar, and this is where the consumption skills of the arts patron come in.

Evidence also points to the fact that there is more than one type of arts consumer. Some arts patrons may be more influenced by the aesthetic motive; to others the symbolic or social aspect may be more important. Several studies have also pointed to the existence of demand clusters, indicating that there are specific audience segments determined not only by socio-demographic characteristics, but also by psychological and life style factors. Thus the arts audience, contrary to what socio-demographic characteristics alone might indicate, is anything but a homogeneous group of individuals.

#### Audience Development

Audience development and arts marketing are to some degree joint aspects of the same question, although they are sometimes treated as if they were two separate issues. The term audience development seems to mean different things to different people, and is perhaps somewhat misunderstood. To many, audience development appears to mean those efforts made to attract the "culturally disenfranchised" to the arts. But while it is a noble aim, it is somewhat unrealistic to think of the entire population as potential consumers of art.

Audience development requires both a short-term and a long-term perspective. The short-term perspective concerns individual organizations, who need to concentrate on finding out who the current and potential audience is, as well as with media communication, pricing strategies and subscription. Substantial financial benefits are to be had from having a greater number of subscribers in an organization. Over the longer term, however, having too many subscribers has drawbacks in terms of the type of programming that can be offered and the development of the audience over the future.

The longer term perspective on audience development requires recognition of both the role of childhood exposure to the arts, and education. Childhood exposure to the arts is an important issue. One study I looked at found that the younger a person was when first attending live performances, the more likely he or she was to be a frequent attender as an adult. Education too is important. The education system traditionally has been more geared towards developing production rather than consumption skills.

**ANALYZING THE ARTS MARKET**

**by**

**Dr. David Cwi**

**(Abstract of Presentation)**

Dr. David Cwi is President of David Cwi & Associates in Baltimore, Maryland, and Director of the Cultural Policy Institute. He is well known for his research on the arts, and is an active arts consultant. He has recently been appointed as Visting Professor to the City University, London, England, to assist in the development of a new unit for cultural assessment. He is currently finishing a book for the National Endowment for the Arts and U.S. Conference of Mayors on how cities support the arts.

What I am going to do this afternoon is to walk through some ways of looking at arts audiences, and some of our own findings about arts audiences. I suppose one of the better known audience studies was conducted in 1965 by Baumol and Bowen, and presented in The Performing Arts: Their Economic Dilemma. Except for some work of ours, it's the largest audience study ever done. It was based upon tens of thousands of respondents to self-administered questionnaires all over the United States. Baumol and Bowen's conclusion was that the audience profile of the performing arts is basically the same irrespective of the art form. However, as I hope to indicate to you, and as has been suggested in the previous presentation, there is not one audience for the arts but many audiences.

One of the most surprising things to me about the audience for the arts is the uniqueness of the women in arts audiences. In particular, the educational level of these women. To dramatize that let me quote from Baumol and Bowen's work. We know that the arts audience is highly educated, but back in 1965, when it was not common for women to be going on to four years of college, and hardly common for women to be going to graduate school, Baumol and Bowen found that 31% of the women in their audience studies had gone to graduate school, and 26.7% had four years of college. So roughly 60% of the women in these performing arts audiences had four years of college or more in 1965.

That is perfectly consistent with the kinds of numbers that we find when we look at women in our audiences. We also find that they are employed, and that they tend to be professionals. So I would say that there is an important finding that gets lost when you're looking at aggregate audience profiles. It is an important feature of the arts audience that distinguishes it from the audience for other things.

Does anyone need to do an audience study? If I were managing a performing arts centre, I'm not too sure that I would really feel the need to do any audience research. I know what the magic number is in my town: I know that if I charge more than \$6.00, I can't get anyone in. I also know what sells. I can see what's selling around the country. And if I have a practitioner's knowledge of my community I have some notion of what product will fly here. In fact, all I've got to do is stand in the lobby. I can see who is coming in the door.

The point of making these statements is not to say that there is no need for audience research, but that a lot of the information needed for decision-making can be acquired quite easily, and does not require an audience survey. However, policy-makers and social scientists seem to want audience surveys, and so I will review the findings from a few of them for you.

One of the things I'd want to know if I were running a performing arts centre is my trading area. I'd want to know how far people travel, whether they are travelling 10 miles or 20 miles. In other words, what is the geographic reach? Our research seems to suggest that for the typical performing arts activity put on by a symphony, a theatre, or a dance company, the vast majority of the local audience travels about 20 miles one way. These people are not travelling a great distance. In the Los Angeles market basin, people are willing to travel a lot farther. They've got those nice freeways, and they're accustomed to being on them. But in the Columbus' and St. Louis' of the world, it seems that 20 miles is about the most someone would travel, or did travel.

I've already given you some numbers about out-of-town visitors. In the performing arts it seemed that in a typical town -- a Columbus, a St. Louis, a Minneapolis, towns that are not known as tourist destinations in their own right -- we found that less than 10% of the audience was from out-of-town.

What about the social reach? Our work on audiences -- the work for which we are best known -- focused on 6 United States cities. I suppose if you had to ask one question of someone to find out what their social class was, you would probably ask them what they did for a living. We didn't give our respondents a set of categories, and ask them to check the professional category if they were professional. Instead we asked them what their occupation was, and then coded the responses using the standard United States Census categories. Our total sample was roughly 23,000 respondents, and we sampled that sample when we did this exercise. The United States Census has a category called professionals, and that includes everything from accountants to computer specialists and engineers to social workers, teachers and "writers, artists, and entertainers". This encompasses then a large class of individuals.

In 1980, the professionals in our 6 cities represented about 20% of the employed work force. Amongst our performing arts audiences, however, never less than 50% of the audience, and typically over 60%, were professionals. The obvious conclusion then is that the audience is drawn primarily from the professional class.

We tried to get some breakdown of where within all these technical specialities the audience tended to fall. Symphonies had a slightly higher concentration of doctors, lawyers and accountants -- typically, from 10% to 15% of the total audience. The largest single group of individuals were teachers -- elementary, high-school, and college. Of the 7 orchestras that we examined, 18% of respondents were teachers. Teachers made up 14% of audiences at our 9 theatres, and 15% at the 6 dance organizations. The next largest categories tended to be lab technicians, nurses, and related medical support staff.

One of the things that was particularly intriguing to us was that the overall audience profile seemed to be influenced by the level of professionalism of the group. In other words, product was not unrelated to audience composition. Product to us was how professional the group was, which in turn related to what price it charged, and also to the kind of setting in which it performed. A lower equity scale theatre performing in a facility that was being adaptively reused as a theatre drew, as you would suspect, a younger, more avant-garde kind of audience. On the other hand, the regional repertory theatre in its brand new complex, charging higher prices, and being more conservative in its programming, tended to draw an older audience.

We found then that there was not one audience for the arts; but that the shape of the audience profile, along these measures of age, income and so forth, seemed to be variable with the product, so that some differences across institutions related to the type of product and level of professionalism. Our symphonies as a group were the most fully professional. In their case, it was almost as if we sampled the same audience 7 times. The programming was also comparable. They were all in symphony halls, and they were very similar to our 2 Fort A repertory theatres, which were amongst the most fully professional theatre groups we included. Both of these groups seemed to have a very similar audience profile. We saw then that there were things emerging that were product-driven. But we also saw that what we were picking up seemed to be compounded by the fact that subscribers as a group were different. So we went out and we looked at subscribers.



We found that there is a tendency for subscribers to have certain characteristics. The most clear dimension is age: subscribers are dramatically older. Over half the subscribers in our symphony audiences were over 50 years of age. In our more avant-garde theatres, which overall drew a younger audience, the subscribers were older but not over 50. They just tended to be the older segment of the market from which the theatre drew its audience. Our most fully professional groups overall -- the symphonies -- drew groups which were overall older, and that age factor was even more apparent for subscribers. So that a number of things were happening or interacting simultaneously.

What did we tend to find overall about subscribers? What kind of profile tended to emerge? We used a type of analysis called multiple regression on some dummy coded variables. This procedure not only picks up the variables that are statistically significant as distinguishing subscribers from others, but also gives you an ability to rank them according to relative importance, and to find out which are the most important distinguishing differences.

What came out as most important was being age 45 or older, being in a household with an average income over \$30,000, having a graduate degree, and not attending in a party of three or more. Of the dance groups, which had a younger profile overall, 35 to 44 began to emerge as a significant distinguishing age bracket for subscribers. Subscribers, again with the exception of dance, were also more likely than other attenders not to have children at home -- perhaps because the kids were old enough to be out on their own.

We have therefore a picture of a household with no children at home, attending as a couple, over the age of 45, and well off financially. What is the product? The product is: please give me \$110 so that you can attend on 6 or 7 consecutive Thursdays. The only persons who could lock up their Thursdays are those who know in advance that they will be able to lock up their Thursdays, and if you've got children you can't lockup your Thursdays. In other words, you are automatically orienting that product towards those who are able to buy that product with a lot of discretionary income, and no children to keep them at home. So the findings aren't surprising in that respect.

As an aside, I'll tell you a revealing story. I was at a festival with a friend of mine. She looked around and said: there are no young people here. I said: you're right, and asked: why's that? She said: well, they don't know about it. And I asked: what do you mean they don't know about it? She said: well they don't read newspapers. I paused and I said: yes, and they also don't get direct mail! Now, if you think about that, and about how the arts are marketed, that was quite an insight. If you are not on a direct mail list, as being a person with an income of over \$30,000, you don't get information about the arts in the North Americas. Or else you've got to read the newspaper. This is why it's important to be naive when approaching arts research. We are complaining about the age profile of our audiences, but when we look at how the arts are advertised we suddenly realize that there is no way a young person is really going to become familiar with them unless they are already in a household which gets the direct mail material and goes to performances. This would then suggest something about the use of radio in reaching young people.

To this extent, our research suggests, and confirms what everyone else has done, that there are different profiles that seem to be driven by product in some ways, and that subscribers are different, and the nature of those differences must

take into account the overall market segment orientation of the arts activity. I wouldn't be too happy if I were a subscriber-oriented symphony about how limited my market was -- that subscribers tend to be 45 and older, and tend to make more than \$30,000 income.

To dramatize these differences, let me give you some quick breakouts on age of subscribers versus non-subscribers in 4 of our symphonies. The St. Paul Chamber Orchestra subscribers had a median age of 37. (Median here is a better measure than average because it distorts less.) The 3 other symphonies, which are traditional orchestras, had subscriber median ages respectively of 50, 50 and 47. Other attendees, not subscribers in these same organizations, had median ages of 30, 41 and 40. That's a big difference. The point is that, except for the St. Paul Chamber Orchestra, over 20% of the subscribers were over 60 years of age, whereas only 9% of the the other attendees were over 60 years, of age.

It was not that bad in the theatres, which attract overall a younger crowd. The median ages of subscribers in 4 of our theatres, to give you examples, were 43, 46, 47, 46. But at one of them -- the Guthrie -- 32% of subscribers were over 60. I think somebody who is interested in subscription really has to pay heed to what they are doing to their audience mix when they opt for that kind of strategy.

One of the things that we tried to do is to show also that, at least for the fully professional arts groups, the overall profile doesn't seem to have changed in the last 20 years. The only way I could do that was to come up with some data that was 20 years old and roughly from the period of 1965. The only data I could find was Baumol and Bowen's data from The Performing Arts: Their Economic Dilemma.

I took their data on symphony attendance. And then I had to look at my data and ask whether my organizations were comparable with the ones that they surveyed, because it is necessary to have comparable organizations for such a comparison. Amongst the ones they looked at, only my symphony companies seemed to be comparable. There are two questions to be looked at. Has that audience changed? And is it more representative of the general population?

Basically, we found that the audiences looked quite similar. Baumol and Bowen found that 73% of symphony audience members over the age of 25 had at least 4 years of college. That's exactly what we found -- 73% over the age of 25 had at least 4 years of college. They found that roughly 60% were professionals. That's roughly what we found. They found that 69% of employed men and women were professionals; we found 70% were professionals. We found that 25% of symphony audiences were composed of teachers, whether elementary, high-school or college. They found 31% of employed women were teachers, and 13.5% of employed men. (We didn't break it out by sex.) They estimated back in 1965 that the median family income for symphony audience members was \$11,870, and that's roughly \$25,000 in 1979 dollars. We found that the median for our symphonies fell within the \$25,000 category. So it looks like the data are very comparable.

The difference, however, is that back in 1965 an income of \$11,870 put you in the upper 10% or 15% of all incomes. Their income of \$11,870 was nearly 90% higher than the median family income for the urban population generally. Right now \$21,000 is about the median income within urban centres in the United States. So these people are now much more typical in terms of family income to the population generally in urban centres. This brought us to look at what has

happened to the professional class in the United States. What we chart in this paper is that the professional class has exploded as a percentage of the work force, now representing at least 20%. So even though it may be the case that the profile hasn't changed, that profile now represents a vastly larger segment of the population. The arts audience is becoming more representative of the population, even if the profile hasn't changed.

Is there any way that we can change participation? Well, that requires developing a way of looking at the arts audience, which is relevant to changing it. Heretofore, we really haven't developed in the arts what somebody in the marketing business would think of as market segments. The only segmentation that was done was by art form. We've said that there is a theatre profile, and that there is a symphony profile. But normally when you're doing segmentation you first look at product benefits desired by a certain class of the population. So, for example, if we are looking at yoghurts we are looking at these people who are interested in creaminess, fruit, and whatever is desired in the way of product attributes. Then you cluster up a market based on these. There has been very little significant and serious work on segmentation analysis in the arts, and much of it has either been driven by the wrong models, or the wrong approach. One study, for example, took a recreationalist's model, which talks about "active homebodies", something which would apply to maybe outdoor recreationers, and tried to apply it to the arts.

There is work out there that's semi-interesting. For example, a management consulting firm did a study for the Atlantic Ballet, which included some simple minded segmentation -- customer type they called it. Here is what they used: "Ballet Purist" -- an individual who is very interested and knowledgeable about ballet, possibly without similar interests in the other art forms; "Arts Enthusiast" -- an individual who has experience with several performing arts and whose live entertainment purchase decision is motivated by a desire for quality. The "Ballet Purist" is really a ballet nut, who wants a well balanced repertoire, new and original works, and live music. The "Arts Enthusiast" wants fully staged productions, and a reasonable level of theatricality. But the "Entertainment Seeker", he wants Nureyev! They tried to say to the Atlantic Ballet, here is how your product matches up with what the market wants.

There was a marvellous study done by the Ford Foundation -- the audience portion of which is the best audience research ever conducted -- and no one cites this study. It's contained in The Finances of the Performing Arts, Vol. II, Ford Foundation, and it is long out of print. The authors of this study brought to bear a model of how a consumer makes a decision. Academics don't know how people decide things. They know how to explain things, which to them means give us a lot of variables and we'll crunch them statistically. But they have absolutely no conception about how consumers behave. Advertising people do. And the research firm involved with this study usually works for advertising agencies.

These advertising people asked: what's involved in attending? There are a lot of preparatory activities. Attending involves planning and choices. There is a choice of how to pay: by cheque, credit card, or cash. There is the question of the ease of getting the tickets. There are the choices of which day of the week and starting time. Distance, transportation, and location within the city are also important. The environment, which is determined by a long list of things such as, the hall, the audience type (elite, middle-class), the dress (formal or casual), the atmosphere (festive, congenial or formal), all involve perceptions that can be

changed. How about the program length? How about your seat? How about the repertoire? And your social companion? What then if these variables were changed -- would that affect attendance?

They came out with measures of all these variables, and they asked active arts attenders and inactive arts attenders to give their perception of theatre, symphony, and dance in general. Through some "proprietary model", which is the weakness of the study, because we don't know what that model is, they tried to predict what areas, if changed, would prompt changes in attendance.

They found that a change in perceptions of customary dress -- in other words you can come casual, you don't have to get dressed-up -- would not produce positive results for symphony. If anything, it would alienate some of the symphony's current supporters. Roughly one-quarter of the respondents described the atmosphere at the symphony, opera and ballet as restrained, formal, and aloof. Might a change in that perspective help? What would happen if these respondents who currently believe that the atmosphere is restrained, formal and aloof, could be changed to believe that the atmosphere is festive, exciting and suspenseful?

For 22% of the target population for symphony, and for 20% of the target population for opera, you would get a change if you could do that. The net result, they found, was a potential gain of audience of 10 to 15% for symphony, opera and ballet, if you could just change the perceived atmosphere at the event. This is what they claim, but we'll never know how they figured it out because they don't tell us what their proprietary model was.

They then talk about advertising general imagery. General imagery probably depends, in large measure, on long established stereotypes. Their recommendation: in any advertising for the arts to avoid elite symbols.

Next, they asked what would happen if the amount of planning to attend were reduced by virtue of some method that would make it substantially easier to get tickets. They wondered if there was a synergistic interaction between making it easier to get tickets, and changing the mood and doing other things simultaneously. What would happen? Would the sum be greater than the whole of their parts? For certain of these manipulations they would. If you could find a way to make tickets easier to buy, for example, plus some of the other changes, they found that the attendance at symphony would go up by close to 20%. Attendance at the opera and ballet might go up 41%, and 75% respectively. Thus, the opera and ballet are particularly limited by the respondents' belief, for example, that it is difficult to get tickets. The point of the exercise is that they're trying to manipulate variables that might affect the consumer's perception of enjoyment of the activity.

The League of Chicago Theatres had a major advertizing firm do a study for them. They found that three-quarters of Chicago area residents have never been to a live play. They discussed factors important in theatre going. Recent attenders (those who have seen a play since 1980, and could be considered as active attenders), are motivated to attend by reviews, recommendations, and an interest in the context of the play. Past attendees (those who have not attended activities since 1980) tend to be brought along by someone else. They appear to be more comfortable with plays they know something about.

What is the advice of these market researchers? Those who have not attended regularly in the past are less likely than active theatre-goers to attend more avant-

garde or experimental productions due to their lack of familiarity and experience with this form of theatre. Assurance of comfort and pleasure must be communicated to these individuals to encourage them to broaden their theatre experience. Both fine arts and popular arts are competitive activities to theatre. Movies in particular are a primary entertainment option for the targeted audience. Hot Tics, the ticket booths that make it easy to buy a ticket, may have the ability to compete directly with movies. Isn't that the point? You can just walk into a movie and get a ticket. The half-price, day of performance tickets allow theatres to be an accessible and spontaneous activity, characteristics typically associated with movie going.

None of what I've cited for you is conclusive at all. But what it does suggest is the importance of paying attention perhaps to the factors that affect the consumer's decision. These involve their general orientation towards entertainment, and the kind of product that matches up with that, and the factors that affect their ability to exercise that interest, like ease of ticket buying. In this way maybe we can start increasing the audience for the arts.

There is only one final problem -- getting arts groups to take a radically different approach towards what they do. I keep coming up with suggestions like let's do "baton-night" at the symphony, and they look at you like you just landed from the moon! I don't know what that would do to the traditional audience, and I don't know how the board members would react to that. But there is a need to begin to rethink the positioning of the arts in the sense used by marketing people. You can position them as upscale and elite, if that's your desire. Or you can position them somewhere else. And the arts want to be positioned as upscale and elite because the perception is that if it's popular, it's not art. I hate to say it that way, but the arts are sometimes their own worst enemy when it comes to promotion. It's not a problem that Broadway has. And it's not a problem that others have. It's a problem that the more fine the art, instinctively the more they act as if they don't want to be accepted.

**QUESTIONS AND OBSERVATIONS**

**Afternoon Session**

Miles Keston:

Dr. Cwi, I've spent the last year trying to do what you've just said, and I'm happy to tell you that I'm now going to be a chartered accountant! I'd like to try to explain why I found it fruitless. Let's go back a bit to your question: why do audience studies?

One of my first jobs at this art gallery was to do a marketing plan for the gallery. I said to myself, nobody here knows what marketing is, so if I write the marketing plan, there'll be no corporate commitment to it. I thought I'd try to educate the other staff members as to what marketing was, and collectively we would sit down and work out a marketing plan -- a consumer marketing plan for audiences, and an industrial marketing plan for fund-raising.

In a year I didn't convince my colleagues that marketing wasn't selling, in spite of the fact that they had a really elaborate de-accession policy. They insisted that I was there to sell art. I said that art is the raw material for the products and services that they want to develop. I interpret the defensiveness of their perception of a marketing person as a seller or huckster to a desire to avoid the real marketing issues, and that they are, through the various communities of users, getting sufficient value out of the operations.

David Cwi:

That point was made about 2 years ago at one of Hendon's conferences. There's a great paper by Pomeroy and Frei looking at museums. It says that the curators derive esteem from other curators, that the board members derive esteem from other boards, and that the museum environment, and how it makes its decisions, is completely insulated from the public and any public pressure. The norms of the organization are driven by the professional ethos of the curators, and the board members' desire for prestige and to be looked at favourably in the eyes of other board members at other institutions. That's what you are picking up.

Miles Keston:

Exactly. I also got the feeling that the product designers are not willing to listen to laymen. In fact, it's not in their model of thinking at all. I found that no matter how much marketing research I would have done, no matter how many audience studies, the impact would have been negligible, because one of the real uses of marketing research, is to help redesign product.

David Cwi:

Correct.

Miles Keston:

Product in this situation cannot be designed by committee. Especially because my boss is an art historian. And the power in that organization, as in many at museums, lies with art historians. And I'd just like to finish off by saying that...

David Cwi:

You're a better man for the experience!

Miles Keston:

I'll be a richer one too when I become a CA! In Toronto there's a marvellous exhibition called Georgian Canada, which is ROM's bicentennial contribution. It is attracting absolutely nobody, and is costing a fortune. But it is curator-driven, and as Alfred Sloan might have put it, it is product-driven, not market-driven. I think that what you're seeing is that art museums are in that stage of industrial development where Ford was back in the 1930's. Their view is: let's make art widgets because people like them! They are not looking at the markets per se.

David Cwi:

The problem I've had is that marketing is viewed as an extension of the artistic ethos of the place. There is some kind of carry over to the culture of the institution so that marketing won't be done in low-brow ways. Also, the mission is to perform the highest quality possible, at least when the organization is fully professional. The marketing person cannot tell the artistic director what to do. However, implicitly he does, because subscription drives artistic decision right and left. If the audience is going to come 6 times, they have to be given 5 winners, and they are going to be non-threatening productions. There was a study done by Time magazine of the content of summer music festivals. They were all found to be the same, because they had to give the audience the familiar and the comfortable. Product is being devised with marketing decisions in mind all the time; they just don't want to acknowledge that. I think perhaps there is some legitimate fear.

Also it's a strange kind of product. The customer doesn't know what he wants in this case. He doesn't know what he wants until you bring it in and show it to him. You really can't design product the same way in this environment, as you can when you are designing a machine, a typewriter, yoghurt, or cereal. It's not that kind of environment. The emphasis really has to be on the general marketing in the sense of where something is positioned as a piece of entertainment in the mind of the consumer. You position it as elite when you're going for the upscale, and you position it somewhere else when you're going for someone else. The real strategy is positioning the product.

General promotion, advertising, and pricing issues, are really what concerns the marketing person. And his first question is whether there is a broader market than just those audience segments attending. But as I see it, the arts right now might have just about all the audience they're ever going to get. To the extent that arts attendance is driven by taste, perhaps that taste is not distributed much beyond the segment of the population that is called the professional class. This is why I say that perhaps we don't need more audience research. What we do need is more professional application of the given in terms of promotion and other techniques. We just need more people to go to marketing classes, and apply those basic principles.

Tom Hendry:

I've found in my experience a few things that indicate that the actual environment in which something happens has less to do with the audience make-up than the repertoire, and I'll give you an example.

We started a theatre in Toronto in 1972 which had no admission price whatsoever. We did only new plays -- three new plays in the first season --and we were full all



the time. Everybody said it was because we were free. But basically it was because the plays were good and entertaining. People told each other about it; we did no advertising whatsoever. Indeed we discouraged critics from coming. We used to lock them out, and refuse interviews. We had a check room for bicycles and dogs, and there was a private place for those who were nervous about nursing their babies in public. That was the kind of audience we got; they were all about 22 years old. The only car I'd ever seen regularly at the theatre was that of the biggest dope dealer in town. There was a Roll Royce that used to come with his girl friend, because she liked plays. She was an usher at the St. Lawrence Centre.

We took a kind of verbal survey among our audience, and asked: what plays have you ever seen? It turned out that none of them had ever seen anything except new Canadian plays. A very unusual audience in Canada. Most people have seen a lot of Shakespeare, and a lot of Neil Simon, but they've never seen a Canadian play. We thought we were depriving our audience, and that we should do a classic, and see how they would like it.

We did Hedda Gabbler by Ibsen. Actually Herbie Whitaker did find the door, did review it, and gave us a good review. But our audience stayed away completely! They weren't interested in Ibsen; they wanted to see new Canadian plays. Suddenly there were cars everywhere. There were no bicycles, or dogs, and nobody was nursing their babies. The whole audience changed over in 2 days. All these rich people came to see what they were used to seeing, and to see it done quite well for a change.

That taught me something about the importance of repertoire, in terms of determining audience make-up. The next play we did was a new play by Carol Bolt or something, and our audience came back, and the rich people went back to where they were used to going.

When I worked at the Manitoba Theatre Centre -- we began that back in the 50's -- I found that the board was less concerned with getting a big audience, than keeping out undesirable elements. I would recommend that we put people that were not Anglo-Saxon on the board because Winnipeg is made up of very large ethnic elements. They did not go along with that at all. The only people who didn't wear a tux to opening night were me, and the richest man in town, and the next richest man in town. All of the other people were professionals, and what they wanted was an audience made up of other professionals. In everything I did to increase the audience, I had to go almost around the board because for some reason they wanted to keep it a kind of club where certain kinds of people would feel uncomfortable.

I developed all sorts of subversive programs, going to schools, and sending out free tickets to everybody I could think of, and things like that, to get people in. But my biggest problem in expanding the audience, was the board itself. When we took surveys of the audience, we asked: what plays would you like to see? They all put down Shakespeare, Brecht, and so on. I thought I had the most tasteful audience in the world. They wanted to see nothing but classics. Then I took another survey asking: what you would like to see, and what do you think your neighbour would like to see? Then I knew!

There is an ongoing experiment right now in social accessibility, which is the Toronto Free Theatre, Dream of Hyde Park Experiment. Frankly that is copied from Joe Papps, who did it many years ago in New York City. It is really awkward

to attend the plays. It doesn't cost you anything, but you've got to get there very early to get a decent seat. It seats about 2,000, and they've had about 5,000 turn out per night. It's nothing like attending a movie. The first year it was offered, 30,000 people attended, and this year 50,000 people attended a very limited run. And again, it seemed as though a lot of my conception about interest in Shakespeare and so forth in Toronto, I had to go and rethink.

I had a lot of various views of what the audience for Shakespeare was because I was literary manager of Stratford for years. On opening nights, it always seemed to me that they'd emptied the tubercular wards of all the nearby cities. Whatever you did, there was this "Magic Mountain" atmosphere. On Sunday I would go, and it was like the sermon on the mount. There were 3,000 people there, including the mayor. I would say to myself that somebody or other arranged things so that all these poor sick people would be carried on their stretchers to Stratford. There's some kind of a ritual. When you talk about symbolic behaviour I know what you are talking about. When I was literary manager I used to try to make people direct plays so that they could be understood. However, when they were understood, and when it was not opera in a foreign language, they were invariably a failure.

I remember for fun making a bet with someone that I could start a Joe Orta revival. I put together a dynamite cast. Although everyone said that Joe Orta was poison, we had a terrific run. Within a year, everybody was doing Joe Orta revivals across the whole country. Where I came to a most realistic appreciation of this kind of thing about audiences was in Vienna where I met Mr. Scanzler at Josef Staat. He took me to the opera. I found out from him that it's very hard to get tickets for the opera; 90% are sold on subscription. I asked him how the price of the tickets was determined. He replied that it depended upon the cost of running the box office. It turned out that they didn't want to have too many people showing up on a given night.

Again, this was symbolic, traditional behaviour. I think that the repertoire and the user fees are the two big problems in accessibility. If we get rid of the movies, which "dishes", and the breakdown in the network will do anyway within 5 years, then we've got a chance. But we've got to do something about user fees, and we definitely have to do things about repertoire, to get a younger audience.

Harry Chartrand:

We're basically talking about the Canadian situation - Canadian plays, nursing mothers, bicycles and dogs! This is the counter-culture theatre. The European experience in countries other than Austria, which is a highly traditional one, has been quite different. The example that comes to mind is the "Tomato Wars" in Holland during the early 1970's. The system of Dutch theatre has been subsidized from the end of the war. For practical purposes, actors, painters, artists are civil servants, and are guaranteed employment.

The young people during the counter-culture revolution took great exception to the establishmentarians. It wasn't the audience that changed the repertory, it was the counter-culturalists. They proceeded to go to all the establishmentarian plays, throw tomatoes, plant stink bombs, and start what was known as "Tomato War Number I". The reaction of the government bureaucracy was, of course, to fire all of the establishmentarians that had run traditional Dutch theatre for almost a generation, and replace them by the counter-culturalists. My understanding is that "Tomato War Number II" is on the verge of happening.

Now here we have another system in which the arts are not driven by marketing either. Rather in this situation the arts are driven by state support and subsidy, which are part of the audience development issue that hasn't really been talked about. Even in Canada more than 50% of the ticket price in most fine arts non-profit theatres is not from the box office.

Barry Cole;

Is there a distinctly different audience in smaller communities?

David Cwi:

I was once talking to Danny Newman about the work I was doing when I first started. I said to Danny that it was important for the research types to be guided by the old hands, and to get the benefit of their experience because they know things that can't be learnt through surveys. Have you ever met the guy? Danny talks to you, you don't talk to him! Danny tells you how he has created the audience for the arts in the North Americas. If you listen to what he says, you can well believe it. I asked Danny if there had been a change in the audience for the arts since he'd started working. He thought that there hadn't been much change, but that maybe the edges had been pushed out a little bit. That is also essentially what I've said to you.

Danny brought up an interesting statement. He thought that maybe in some of these smaller towns the audience was different. He said that you get more market penetration, and thought that you get a higher percentage becoming subscribers. I asked him why that should be so. He replied that it's because the people in those small communities can't afford to leave any stone unturned.

It also depends on whether or not it is a community theatre activity. The largest community theatre in the United States had a markedly different audience than the Guthrie. The question is whether, if you tried to set up a fully professional repertory house in a smaller town, it would get an upscale audience? The answer is that it would probably be exactly the situation I've described above - a more upscale audience. And if it were a community theatre, that would draw more community-oriented people. The point is that you may get more market penetration in a smaller community simply because the people in that town are going to work harder.

Bill Morrison:

According to what you have been saying, it would seem that there are some means of analyzing the audience whereby you may be designing strategies like subscription series, which encourage people who already attend even more. That's not the same as audience development. Claire talked a bit about education being very important, and also the idea of consuming the arts as a skill. Consuming the arts seems to require some kind of learning process, and that seems to point to some kind of education policy. In Canada there is a particular problem because education is in the provincial jurisdiction. I wonder in this situation if there should be a more clearly defined relation between the Canada Council's role as a federal body, and the provincial arts councils' roles as provincial bodies.

Harry Chartrand:

I'm going to jump in. First of all, I'm going to avoid entirely the question of federal-provincial. I think it's irrelevant for the following reasons. I've just completed a response to the Macdonald Royal Commission on their Challenges and Choices paper where they try to outline the challenges and choices for the Canadian economy through the year 2000. They have a section dealing with education and training. There is the typical litany of high tech, high tech, high tech...

The best available economic evidence that I've seen suggests that one of the major reasons for the de-industrialization of the North American market, and one of the major contributions to the heavy unemployment in Canada, and relatively speaking, even in the United States, is that our consumers are not skilled. Since the introduction of mass education a hundred years ago there has been a progressive displacement of consumption skills education by production skills. It's partially a response to the puritan, Protestant, republican bias in North America, as opposed to the European bias towards Catholic, aristocratic, i.e., "high cult" values.

As far as I can deduce, when the Macdonald Commission is talking about high tech, it is really referring to the information industries of the future where what is required is judgemental, qualitative decision-making on the part of workers, as opposed to the repetitive industrial skills of the past generation, become important. Those judgemental skills seem to be more related, in my opinion at least, to what we traditionally consider to be consumption skills, i.e., what is taught through the liberal arts.

I think part of the problem has been that we have shifted the attention of education so much towards the production side that we forget that somebody has to finally consume what has been produced. I have a related opinion about the whole question of rising levels of illiteracy in our educational system. I think in many ways the young people of today are more literate in a visual and a design sense than any generation in the past. Unfortunately what we haven't been able to do is to combine the traditional literary skills with these new visual skills. I think that if we want a productive economy, we need productive consumers, as much as we need productive producers.

Bill Morrison:

I was wondering if I could get Dr. Cwi's views of voucher pricing. This was briefly mentioned in the Applebaum-Hebert report. An economist might argue that it would be more efficient for arts organizations to price realistically according to what it would actually cost to put a production on. And that the government, instead of lowering the ticket price, would take up the idea of vouchers. The idea is meant to be that you encourage people who may not otherwise attend, to attend.

David Cwi:

Let me respond instead to your first question regarding education and consumption skills. In one of the papers we did on public policy, we said that the long term challenge is to alter public taste. You've got to change the public's preference orderings so that they place a higher preference on the consumption of certain types of arts products. Until that is done you're not going to solve the

problem, because you're not going to have a political base for higher allocations of tax money into this sector, and they are not going to go out and spend their own money.

Somehow the concept of learning consumer skills and the concept of changing taste don't seem to me to be the same concept. If a person does not attend the arts it may be because he has never been exposed to it and doesn't understand it. However, I have often wondered if the taste for the arts is simply something that is either there or isn't, in the same way that some people just don't like asparagus. Maybe there's a finite distribution for the taste for the arts, and you can't change it.

It is not individuals' education as professional and technical workers that leads them to have an interest in the arts. Rather some kind of mentality that leads them into professional or technical occupations, and to seek further education, is also what leads them into the arts. I tend to think that a taste for the intellectual or for the abstract is something that is not prevalent amongst the general population. On the other hand, liberals tend to say that these things are opportunities and potentialities for everyone, and that the school system acutalizes them. I think that that whole thing is up in the air. I don't know how one could come up with a program of altering taste.

Wonderful audience work has been done on museums in Canada, probably some of the best in the world. In the 1961 Museum News, it was reported that we are doing a disservice to our children by showing them museums as part of their educational setting. The author said that for all we know what's really going on is that we take them to the museum as part of an educational outing, and they come to think of the museum as an extension of the classroom. So they are turned off to museums.

Somehow I'm prone to think that if we're going to change taste, the only way to do that is to teach kids to perform a musical instrument, or actually have them involved in doing plays. Just in the same way that they learn to take an interest in sports because they participate in sports. In other words, I think that moving down the lines that you're going is not going to push us in the direction of teaching them a consumer skill similar to the situation when a consumer learns how to buy insurance. It's rather to awaken in them whatever areas of competition that they have by having them do it themselves, and get some wonder out of it so that they acquire an interest in it. Again, I keep on coming back to participation.

Claire McCaughey:

Can I just add something to that? I came across one study that looked at the relationship between going to the performing arts and going to the visual arts in childhood, and adult attendance. They found that those who went to the performing arts as children were more likely to be future arts attenders than those who went to the visual arts -- art galleries and museums. I definitely agree that there's some kind of participation factor that is more important than going, for example, to the sort of cold setting of a museum.

David Cwi:

I don't know, but it seems to me that that's what it's going to take. I believe you are going to give them a taste for it by getting them to do it.

Pat Durr:

I come from a slightly but not entirely different background than many of you here today. I'm Past President of CAR, Canadian Artists' Representation. That makes me an active special artist in the visual arts. Some of my concerns are similar but different. Specifically, I've been listening today to the discussion concerning how to develop bigger audiences, and more audiences. But I haven't heard you say anything that gives me one shred of proof that doing all this is going to benefit the artist. I've always taken the audience as given. If, in the schools, I get kids going to art galleries, I'm not really concerned with turning them into artists, but I'm extremely interested in turning them into being consumers of the visual arts. I haven't seen or heard much about that kind of relationship.

I was also very interested to hear somebody talking about marketing as turning business into a product. Of course, as a visual artist I don't want to change my product, I want to remodel the audience! So I'm a little concerned because you said that you haven't a clue how to do that. Then I have to come back to you and ask: why are you doing these surveys if they aren't of value?

David Cwi:

We do them because we're paid to do them, and the people who pay us to do them pay us to do them very well, which we try to do. Now here is what we've tried to do in doing them. We thought it was important to find out something about subscribers because we saw in the context of the performing arts that that was a marketing mode of choice. The result of that work, according to Vincent Marron who designed the whole TKTS system, is that it doesn't look good for the arts. Our desire was to find out what subscription is doing to the arts organization. It was simply not oriented towards the question of what we can do to change taste. I don't know how to do that because I've never thought about that. And I don't tend to say I know something that I don't know how to do. But I do know that in thinking about this over the years, I have been troubled, because it seems to me that it is a monumental kind of task, and ultimately the long term challenge. I am of the opinion, though, that there's a large market out there that could be induced to attend without changing the product.

That's why I brought up the approach of changing the ambiance of attendance, interactively changing a lot of things at once to get some people to attend. I was concerned that there might be some kind of perceptions and beliefs with which we could play around, without changing the product, that would get them to try it. In the commercial world, we don't have this problem. I don't have to worry about creating demand for casino gambling. I don't have to worry about that question in the other realms in which I work. You put up a casino, and you're going to make a fortune anywhere on the planet. The only problem there is when you've got competition, you've got 12 or 15 of them, and it's called Atlantic City. In that case I don't have to worry about changing taste. It only comes up in the arts sphere.

Pat Durr:

Basically you've been talking about the performing arts here. What I'm interested in is marketing in the visual arts. I want to sell my work at a whole range of prices, and have a whole lot of marketing strategies. But I'm not talking about myself. I am the president of an organization for professional artists that

covers this country. We would like to make a living. If you're going to be doing all these surveys, visual artists would like to have some information which would help them get their cut of the economic pie.

David Cwi:

I think it's appropriate for you to be saying the things you are, and they're lucky to have you because you are saying them. There is a dearth of work on visual artists. When I talked before about the economic impact question, I said that nothing has been done on individual artists, and that I thought they had more impact across the country perhaps than the institutionalized art forms. There is some work that has been done on the craft artists, in terms of strategies of creating co-operatives for the distribution and sale of products whereby the co-operatives themselves would do some joint marketing.

One of the problems that the individual artist faces is that he has to produce and sell within basically limited markets. He goes to a gallery, to a festival or art show, or he goes to a department store, or other vehicle that buys within a specialized boutique setting. The market is agent-driven for visual artists as well. I'm not sure that there is much that can be done because they're at the mercy of all these intermediaries before they can even get to the market place, in a way that the performing arts centre isn't. I think you have a legitimate point. There's not a lot of work done in this area, and there probably should be.

David Anido:

I want to come back to something Claire brought up a bit earlier on because I find it very interesting. I'm referring to this whole business of education and the inculcation of abstract thinking and behaviour. I'm also interested in the other comment made about the emphasis on production skills as opposed to consumption ability or skills.

I want to make a political comment here. When you look from today until the end of this century you are going to see a downturn in so-called economic production. I work for a department called the Department of Regional Industrial Expansion. It sounds like a massive corporate pregnancy! But there is going to come a point where we can't massively, regionally, industrially expand. We're going to have to create elsewhere. Commensurate with this is the fact that we're entering a period of leisure, which doesn't mean feet up on chairs, watching television, drinking beer. It means creative, constructive human leisure. That brings me back to the arts because probably the most long lasting, greatest achievement of the human being is the arts and culture. That kind of production is not part of the puritan ethic, as I understand your comment. The word consumption bothers me because it means hamburgers in your ear, and cream buns in your armpit!

We have in this room and in the artistic environment massive brain power. Yet somehow communicating what we're really talking about is very difficult because the communicator is not the person speaking: it's the person receiving and returning the message. I'm in a management system where linear thinking is the be-all and end-all, and abstract thinking is not. And I see this as being a kind of problem.

My question, to take an example that you brought up I think very effectively, concerns women. My interpretation is that as more and more women reach the professional market place (and it's no accident that some of the executives in advertising firms are female) somehow abstract thinking is something the women's movement is bringing to the economy. The professional woman perhaps understands better the skills of so-called consumption -- for lack of a synonym -- than the man. Not because he's male, but because he has been in a traditional system since the industrial revolution. My question is: have you, in your behavioural studies on the audience for arts, done any research on what women are trying to communicate through their participation in the arts, through their consumption in this ambience. Does that make sense?

Claire McCaughey:

I'm not sure that I understand what you mean when you ask: what are they trying to communicate?

David Anido:

I'm trying to focus on the consumption skills. What is it that they want in the marketing sense? And what do they want to receive? Women can somehow redesign the product -- that is another way of looking at it. What is the behavioural response of women?

Harry Chartrand:

We do have a few studies which deal with, for example, use of boutiques, and fashion magazines, and this type of thing. There's a very fine longitudinal study, covering approximately 1972-79 for a relatively interesting spread of populations: American, Canadian (English-Canadian and French-Canadian), and Dutch women. The researchers asked them how often they used boutiques. They found that those who used them most often were Dutch, second French-Canadian, third English-Canadian, and fourth Americans. Then they asked: how many specialty magazines do you read, in terms of being aware of fashion trends are? Again, first Dutch, second French-Canadian, third English-Canadian, fourth American. They asked: how important is quality and selection? Yet again, the same rank ordering.

One of the things that disturbs me about arts research is that some of the best work being done, the most relevant research, as has been suggested by Dr. Cwi, is in fact not being done by social scientists, but by Madison Avenue. Now there are real problems related to Madison Avenue as well. I won't say what I think about some consumer research or the quality of some academic arts research, but the fact is that consumption skills on this continent have been predominantly developed by women, even with respect to male clothing. If you have bought a suit, you know the problems that the salesman has: it's the wife that always chooses the suit the husband's going to wear.

David Anido:

I know that in the discipline of marketing communications this is becoming increasingly evident, increasingly exciting, and increasingly complex. The political side of it is that women appear to be more concerned about the environment, parks and tourism, and they are certainly concerned about nuclear war. Not that men are less life-affirmative, because they most certainly are not, but that women are articulating this message through their work.



As a final postscript I would mention that we discovered in market research into the female market among Japanese women particularly, and to a lesser extent Latin-American women, that one of the reasons Canada was attractive was because it is safe. We are now using those two words "safe" and "clean" in our marketing communications. Safe, not because the women think they're going to be beaten up, but it goes deeper than that. It is because they feel that violence is not something they want to in any way subsidize. It's a subliminal thing, perhaps, but it's an interesting piece of market research that we have to put back into that market place through sharp-edge advertising and public relations.

John Roberts:

This is a very stimulating debate, and I think it's also a frustrating one because it's extremely difficult to deal with in one day -- the arts, their impact, and their audience. You need a lot more time than is available today. I also think you're dealing with a very complex multi-level discussion, and for every point made there are certain things being said, and others which can't be said because there is not enough time. If one considers the experience of the people sitting here, they all indeed would be able to add those missing things, and we would all have perhaps a better perspective, and would all learn much more from each other. But that sounds rather as though I'm frustrated and possibly ungrateful to the Canada Council, but it shouldn't be interpreted that way. I'm very grateful to the Canada Council, and hope this will be the beginning of quite a number of seminars.

I think also we've got to be quite careful and thoughtful when we talk about research. Just as the arts themselves are always pushing back the frontiers, exactly the same thing is, of course, happening in research. The possibilities for doing research and obtaining data have become more and more sophisticated. The results, the findings of research, although they are, of course, open to interpretation, are nevertheless extremely valuable for decision-makers, because without them, what are they going to do?

Referring to education, one could say that you cannot discuss what we are discussing and bring education into it very thoroughly. Education is, of course, extremely important to us because in our concept of democracy we have to deal with that magic word called access. The problem with education in this country is that children are denied access to the arts because of the way the education system works. And somehow if research is for decision-makers, presumably decision-makers in education are going to have very good reasons for bringing about change in terms of the arts in education.

Also, through culture and education, children will begin to be able to understand cultures of other peoples, a point alluded to by Harry in his opening statement. This is quite crucial, I should think, to our conception of the arts today. If we came to grips with the cultures of others when we were children, we would perhaps be more tolerant when trying to deal with peoples of other cultures when we are adults. This is one of the greatest difficulties facing humankind today. If we can come to grips with that we would all be more confident about world peace succeeding.

The other thing which really hasn't been touched upon, but I will perhaps mention, is that we've grown up in an environment in which the media play a very dominant role. In Canada the average person watches about 23 hours of television a week, listens to 18 hours of radio, and plays records for 4 hours or something like that. That's a lot of time. Given that some of this is undertaken as a secondary

activity, it still means something. But very tragically instead of television being a liberating thing in terms of accessing more dimensions of life, or the arts as they manifest themselves in the media to people, quite the reverse is true. Television in that sense is a dismal failure. The public is the victim, if you like, of what it's being exposed to.

So I think we cannot go on talking as though the media don't exist. It is the media which are shaping all those people out there. In a country like Denmark people have many more opportunities or possibilities of going to things, because they don't have so many channels on television, and the amount of viewing is much less than here. And in a country like the Soviet Union, television is so impossibly dull that people absolutely have to go out to live events because there's nothing else to do. We with our many channels, and there will be more very shortly, are in fact getting poorer instead of richer. We haven't yet learnt to channel cultural development from the creators to the people, or to the many audiences which constitute the people.

Sharilyn Ingram:

What I would like to point out is something that perhaps we haven't been looking at, and which I find of great concern. That is the political --"small p" political -- dimension to what we've been talking about today. This morning Dr. Cwi posed a question to us: why haven't you asked me why we do economic impact studies? My answer would be, and I don't know how accurate I am, that we happen to live in a political environment. Generally speaking, and certainly in the visual arts and the museum community, the sources of funds are federal and provincial. Municipal funding for our major institutions is in the 5%-18% area. The major sources of funds are federal and provincial governments.

Therefore we have to justify our existence. The language we have found to be understood, whether it should be understood or not, is simple economic impact. We are trying to become more sophisticated in order to affect the decision-making. But I'd suggest that some of the same consideration is necessary when we look at audiences. We've touched upon briefly the fact there's a whole ethical thing about audience development, and I think we've talked around it a bit.

But there is, of course, a political dimension as well -- political in the sense that the decision-makers happen to be a board of directors who only want the elite to come into our institution. In that case you are really not going to get anywhere. On the other hand, if you are in another environment where the decision-makers demand body counts as being a proof of your validity, then you go for a different type of audience. I think that's the sort of environment we're living in.

I would like to also add that I was fortunate enough to spend the last four years of my life in Saskatchewan directing a major institution that confounds the normal audience profile in that, as the largest museum in the province, well over 50% of those who attend had not received post-secondary education of any kind. I also had the experience of living through a change of government in Saskatchewan. When the NDP government was in power I took my audience statistics, and I explained how we were a people's museum, that we were getting down to the grass roots, and that we were a populist institution.

When I had to deal with a conservative government, it was the same fight. I

needed more money so I could keep the doors open and the washrooms clean, let alone put on any programs. All of a sudden, I took the same data base, and I was talking about economic impact, and about dollars brought in from American tourists. I had to have the research in my back pocket in terms of political survival. The use I made of that research depended upon what the particular form of the political environment. I would suggest that all of us in this room are sufficient realists to know that that's a good chunk of what we do every day.

## SUMMING UP

David Cwi:

It's been fun to be here today! I want to thank you all for listening to me at times pontificate, and have fun with the research. The point I made, and the point you referred to, was that I was surprised that people hadn't said to me: here's what we're trying to accomplish; what's the best research design? In other words, to ask: what information ought we to collect given that this is the environment in which we're working? I just learned for the first time about the importance of provincial support, and province translates into state, in our context. It's topsy turvey from the United States experience. A lot of work in the United States concerns municipal studies because that's where the money is. If one were doing something which was province-driven, one would take a somewhat different approach to the whole thing.

There's an obvious need for "accountability". Whether or not in terms authentic to the institution or not, there are body counts that must be maintained, and information about the bodies. We have had some nice discussions over the last 2 days about how to change the whole way that some of these decision-makers look at the arts community. They just don't know any other way to look at the value beyond the way in which the sports people say that they serve x numbers of spectators.

I do want to thank all of you. It's been for me one of the most interesting days I've ever spent because the group today represents an interesting cross-section. I'm surprised at your ability to get these kind of people here. You couldn't get these kind of people to come to something in Washington. It wouldn't happen. Your counterparts in the States couldn't pull this off.

Harry Chartrand:

Because we can't pull a David Cwi from Canada to go to Washington!

David Cwi:

What I've heard today is more than just a concerned approach to the question. It's as if all of you have thought about this for a long time. And all of a sudden somebody appeared who was an excuse to bring you together to start talking. I've been fascinated by listening to what you have to say to one another. I'm glad that I provided an opportunity for you all to come together and share these thoughts among yourselves!

Harry Chartrand:

Just before closing I'm going to take the opportunity to put in context what I've picked up from this discussion on the audience. Part of the problem is the distinction between amateur, commercial and fine arts. The definitions themselves do not appear to be very clear in the minds of either the public or the decision maker. Here we have discussed marketing techniques developed for the commercial arts in which, as has been suggested, to get sales you change the product. But, as the European model suggests, in the fine arts segment of the industry it is driven by the producers — the artists themselves. There can not, therefore, be real marketing in the non-profit fine arts sector. One issue that has surfaced, is that marketing in terms of audience development involves convincing governments and corporate donors that they should in fact support this sector. This is unlike the commercial arts in which marketing and audience development is strictly oriented towards selling more product.

On that note I would like to thank all of you, and on your behalf Dr. Cwi. A transcript of this seminar and an invitation to the next in the series will be forwarded to all participants. Until next time ....