

The Cost of Cutting

A REPORT ON FINANCIAL TRENDS IN TORONTO'S NON-PROFIT ARTS
AND CULTURE COMMUNITY FROM 1991 TO 1996

A Toronto Arts Council Report
January 1999

Method and Terms

THIS REPORT IS THE FOURTH IN A SERIES which includes Cultural Capital (1984), Financial Trends (1987) and State of the Arts (1995). It is built on the analytic model pioneered in 1984 by the Toronto Arts Council to track the arts community's responses to changing economic circumstance. We use annual cash flow as a basis to help identify emerging trends because we believe the availability of cash enables or inhibits choices. Cash flow also records the impact of past strategies.

Our data come primarily from audited financial statements of all arts organizations supported by the former City of Toronto from 1991 to 1996. Ancillary data have been kindly provided by the Canada Council, the Ontario Arts Council, Statistics Canada, the City of Toronto and the former Municipality of Metropolitan Toronto.

Glossary

- **TAC** is the Toronto Arts Council, a non-profit arm's length agency that makes peer reviewed grants on behalf of the City of Toronto.
- **DOLLARS** are 1991 constant dollars.
- **CASH FLOW** means the total of all operating revenues or operating expenditures – in cash and in-kind. To the best of our knowledge, capital items of revenue and expenditure have been excluded from the data utilized herein.
- **ECONOMIC IMPACT** means the total effect on the Greater Toronto Area and/or the country. It is the total of direct, indirect and induced benefits realized as a consequence of activity reflected by cash flow.
- **THE TORONTO NON-PROFIT ARTS AND CULTURE COMMUNITY** includes: all arts organizations (approximately 300) that were resident in the former City of Toronto and that received cultural grants through the TAC or other City grants and/or tax remissions; all individual artists resident in the City receiving Canada Council, Ontario Arts Council or City of Toronto grants.
- **YEARS** designated refer to the year in which the City's fiscal year began (e.g. 1991 = 1991/1992).
- **EARNED REVENUE** consists of ticket sales, subscriptions, memberships, publication and catalogue sales, rental income, touring, performance fees and exhibition fees.
- **PRIVATE SECTOR SUPPORT** consists of corporate sponsorships and corporate, foundation and individual donations, both cash and in-kind.
- **SELF-GENERATED INCOME** is the total of earned revenue and private sector support.

Toronto Arts Council Mission Statement

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

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

Letter from the President

We've reported on the financial health of the arts in Toronto three times before this, in 1984, 1987 and 1995. Each of those times we were able to bring you good news about the steady growth of our cultural capital and the rewards that investing in the arts has brought to our city and the country.

The good news those three earlier snapshots revealed was the result of a deliberate policy of growing government funding of the arts at the federal, provincial and municipal levels. In concert with the arts community's own investment and donations from the private sector, these three levels of government literally watered, fed and nourished us into an arts flourishing that is the cornerstone of our city's health. This was not an act of charity but an act of enlightened investment; for every dollar of funding, governments earned back two. Beyond such direct benefit to government coffers was the no less secure conviction that arts investment helped us build a city that could compete for tourism and for business with the best in the world. Experts who compared size concurred: a secure base of government funding made our arts organizations not only better than their American counterparts at their primary job – making art and putting it out there for people to see – but also made them better at securing private sector support to bolster their organizational health.¹

This time the news is not so good. In the 1990s, funding cutbacks particularly at the provincial and federal levels have shaken the Toronto arts foundation, and stripped away ten years of careful building. Our artists and arts administrators have been resourceful in the face of these cuts; at the same time as they have been downsizing their programming and their organizations, they have mostly been able to

raise not only private sector support but also levels of earned income. Nevertheless, we have lost 31 established arts organizations. And new organizations that have evolved in the wake of hard-won equity and diversity initiatives are faltering; their roots are not as deep as some of the established organizations and in their growing years they need more from government not less.

In the first half of the nineties our municipal governments also invoked modest cuts to the arts. But realizing the impact such cuts have on not only cultural life and economic impact but life on our streets, municipal politicians found the resolve to at least maintain the status quo. They know what makes a city work. This report is a wakeup call to other levels of government. Your savings (roughly \$41 million from 1991 to 1996) do not add up to your losses (\$80 million in lost tax revenues).

This report is also a challenge to municipal government. One in ten people in the Greater Toronto area work in the arts or arts-related industries. Many believe that more and more of a city's identity will depend on just such cultural capital as we've been building for the last twenty-five years. We must all work together to challenge and encourage our political leaders to develop funding policies that recognize investing in the arts and culture sector is an investment in Toronto's identity as a great city.

Anne Collins
PRESIDENT

¹ Genovese Vanderhoof and Associates, *An Economic Case for Government Support: The Not for Profit Performing Arts Industry in Canada*, 1995.

The Big Picture

THE SIX YEAR PERIOD 1991-1996 WAS CHAOTIC. It began during a deep recession, which was followed by a slow and shallow recovery and then a small boom. Throughout, the arts economy was out of phase with the economy at large. Arts organizations grew throughout the first part of the recession. As general economic growth returned, unprecedented cuts in government support to the arts continued and even intensified. This suppressed what should have been a period of strong cultural growth.

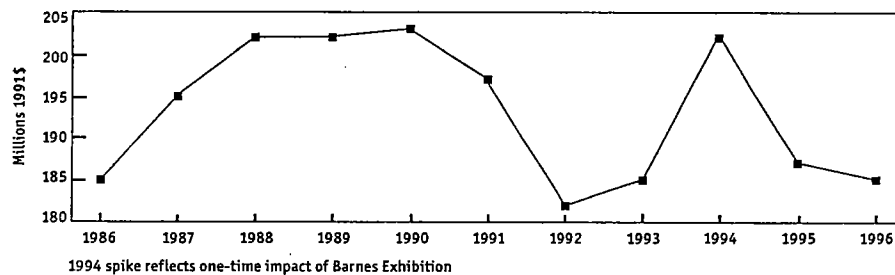
Ten years of work were wiped out. By 1996 overall cash flow fell to 1987 levels of \$199 million. Increases in private support were insufficient to compensate for government's abrupt withdrawal of customary levels of operating support. The cuts were swift, sudden and deep.

The result: after over two decades of growth leading to the creation of a successful arts and culture infrastructure, the arts community had no choice but to retrench to 1987 levels of activity.

Government cutbacks forced all arts organizations into crisis management. More than 98% of the 300 non-profit arts and culture groups surveyed had no alternative but to cut their budgets. Though they threw themselves into fundraising and managed to increase self-generated income, most of these groups still had to curtail their spending by 12%. The other 2% of the non-profit community reviewed in this survey were successful at increasing self-generated income enough to bridge the gap left by government cuts. Their cash flows grew or held steady.

No matter which strategy was employed – cutting, increasing self-generated revenues or a combination of both – the total cash flow available to the community shrank, and services and opportunities drained away

Toronto Non-Profit Arts and Culture Cash Flow
(Exclusive of Gifts and Artifacts)



with the cash.

Even while Toronto's general economy and regional population grew, the cuts stifled growth in the arts and culture community. This is reflected in both the shrinkage in overall cash flow and in the decline in the numbers of emerging and existing organizations with which TAC works.

Toronto's arts community has grown so successfully through a careful balance of public and private investment. That balance has been fundamentally altered. Unless government leadership reasserts itself in a meaningful way, it's hard to see how the sector can do more than endure. Without major changes in federal and provincial levels of government funding, there will be no access to necessary working capital and without this infusion of necessary working capital, it is difficult to see how Toronto's non-profit arts and culture sector will be able to rise to new challenges.

The Numbers

- **SUPPORT FROM ALL LEVELS** of government declined a net total of \$41.3 million during the period 1991 to 1996 in the former City of Toronto.
- **DURING THE PERIOD** government lost potential tax revenues of \$80 million, roughly twice what they "saved" through arts and culture cuts in Toronto.
- **TOTAL SELF-GENERATED CASH INCOME** over the whole period grew by \$25.4 million: Private sector cash support increased \$18 million over the whole period and earned revenues increased \$7.4 million. In-kind donations ballooned to \$32.8 million in 1995 but declined to a more customary \$12.9 million in 1996.
- **IN ORDER TO BRIDGE THE GAP** left between government cuts of \$41.3 million and increases in self-generated cash income of \$25.4 million, the community had no choice but to reduce spending.
- **BETWEEN 1991 AND 1996**, 31 organizations receiving operating grants from TAC disappeared.
- **DURING THE PERIOD 1991 AND 1996** the community increased its accumulated deficit by \$6.5 million.
- **WHILE CANADA'S ECONOMY** as measured by GDP grew 11.2% between 1991 and 1996, Toronto's non-profit arts and culture sector shrank by more than 5%.
- **AS A RESULT OF DIMINISHED CASH FLOW** and reduced government support, self-generated income accounted for 59% of total revenues by 1996.

Changes in Government Support

AS THE PERIOD BEGAN, governments were the source of 50% of arts groups total revenues – as they had been throughout the seventies and eighties. After the recession ended, cuts increased in scale and impact. By the end of 1996, cash flows had declined by 3% and government contributions had dropped to 41% of that reduced cash flow.

All levels of government reduced their annual support to the Toronto non-profit arts and culture community by a net total of \$41.3 million over the period 1991 to 1996.

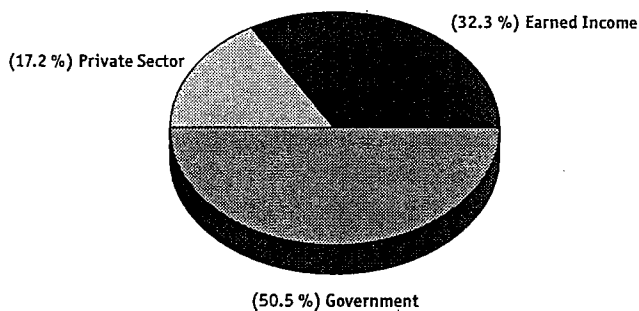
From 1991 to 1996, the Canada Council's annual appropriation from the federal government shrank by \$14 million.

Reductions at the provincial level of approximately \$22 million were particularly severe. Provincial support through the ministry responsible, now known as the Ministry of Citizenship, Culture and

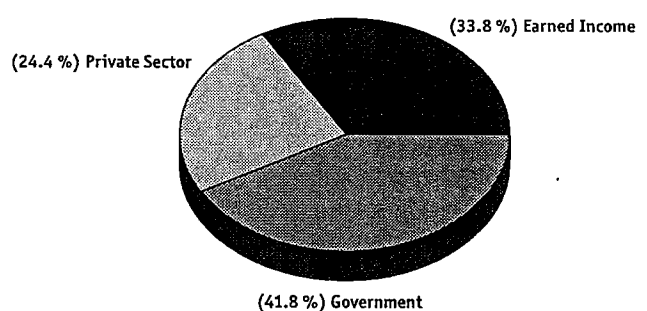
Recreation, dropped from 17.5% of total revenues in 1991 to 15% by 1996. The Ontario Arts Council's budget for 1998/99 is \$25.3 million (from the 1991/92 level of \$43.5 million) which, after inflation is taken into account, is the same as it was in 1974. Only the Art Gallery of Ontario received increased provincial government funding during this entire period.

Between 1991 and 1994, as a result of erosion of City revenues due to a combination of provincially imposed cuts (e.g. social contract) and lower assessment levels, the former City of Toronto reduced its

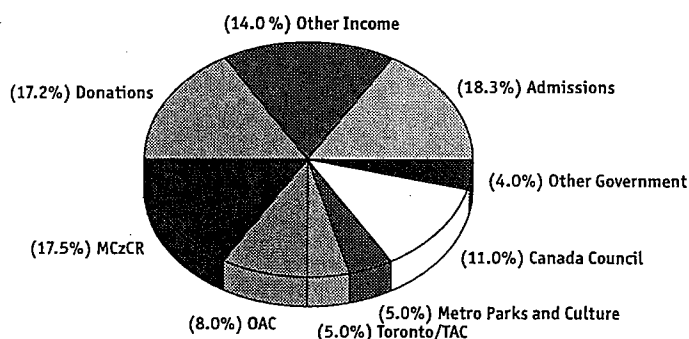
Revenue Mix 1991



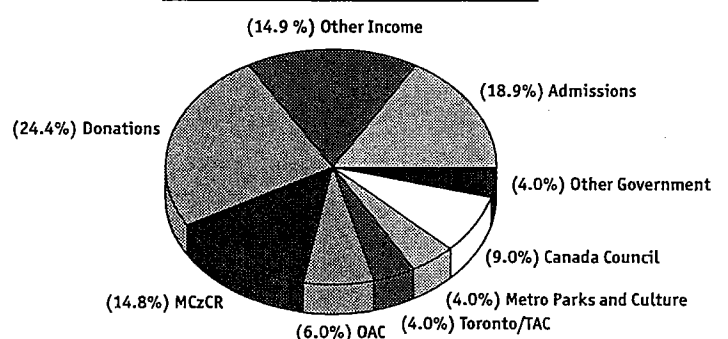
Revenue Mix 1996



Details of Revenue Mix 1991



Details of Revenue Mix 1996



cultural grants budget by \$725,000. After that, the City of Toronto held steady its cultural grants budget at approximately 1% of total city expenditures.

Between 1993 and 1996, the former municipality of Metropolitan Toronto reduced its cultural grants budget by \$1.5 million.

Individual artists – the smallest and most vulnerable group – who would spend on average \$21 million per year to create their art, were cut \$7.5 million.

Small, medium and large organizations – representing almost 300 groups – were cut a total of \$46.7 million (a net cut of \$33.7 million after factoring in increases to the AGO). Taken together, Toronto's non-profit arts and culture sector suffered year-by-year declines in their operating budgets that, by 1996, resulted in \$53.4 million less in working capital.

Survival strategies emerged.

Survival Strategies

SINCE 1991, the withdrawal of \$41.3 million in government funding hit all sectors of Toronto's arts and culture community. Of approximately 300 organizations captured in this study, most (approximately 98%) had no choice but to reduce their spending in order to absorb the impact of the government cuts:

Some organizations successfully mobilized private sector support though they had to downsize.

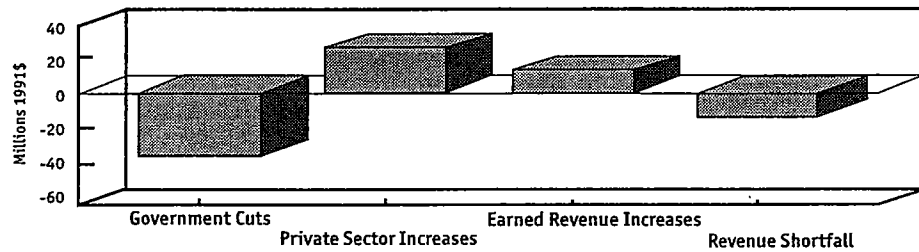
With other groups, downsizing to accommodate the cuts affected their ability to maintain self-generated revenue. As a result of reduced activity, their earned income and cash donations also decreased during the period.

The total amount of cash flow generated by grants given to individual artists in 1991 was \$24 million. If previous trends had continued, this cash flow would have risen to approximately \$26 million by 1996. Instead, due to a 12% cutback by governments in individual artists' grants, their cash flow

fell from 1991's \$24 million to an average of \$21 million. As with most of the organizations, this sector had no real choice except to reduce their spending.

Only 2% of groups captured in this study were able to increase self-generated income – private sector contributions and/or earned revenue through increased user fees – enough to mitigate the government cuts. Their cash flows either remained constant or grew.

Non-Profit Arts Sector's Revenue Shortfall
for the Period 1991 to 1996



Self-Generated Revenues

MORE THAN 10 YEARS AGO, Toronto Arts Council predicted that self-generated revenues would exceed government support by the end of this century.

"If present trends continue to 1999, a funding profile more similar to that found in the United States will develop as the private sector—corporations, foundations and individuals—becomes the dominant funder, providing almost 21% of total arts and culture revenues, up 50% from 1981 in percentage terms..."

— Financial Trends 1981 to 1987 with Projections to 1999

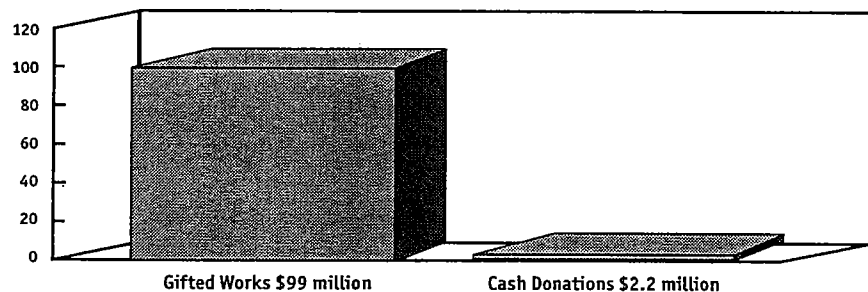
In fact, by 1996 private sector support had increased to 25% of shrinking arts and culture revenues – 4% higher and three years faster than we predicted in 1987. Earned revenues grew to 34% of total revenues.

Much has been said about the private sector's ability to fill the gap left by the withdrawal of government support. But here too the numbers speak loud and clear. Since 1991 governments cut support by a net of \$41 million. Over the same period cash donations increased by \$18 million and earned revenue by \$7.4 million. This has resulted in a gap of \$16 million absorbed largely through decreased spending – in other words, fewer performances, exhibitions, productions, concerts, novels, films, videos, plays and jobs.

The AGO, the one organization that received increased provincial support during this period not only increased self-generated income by \$29.3 million (more than twice what the province contributed in increased funding) but also increased service levels and was able to balance its budget. This anomalous experience demonstrates clearly that government leadership is key to leveraging self-generated rev-

Analysis of Private Support

Increases to AGO and ROM for the period 1991 to 1996



enues without limiting access to services and products. It is consistent with pre-1991 funding patterns when government policies were based on ensuring access and promoting strong growth.

Two large institutions benefitted from a change in federal policy regarding tax relief for donations of art and artifacts. The Royal Ontario Museum and the Art Gallery of Ontario received gifts valued for tax purposes of \$99 million over the whole period. The bulk of these gifts came immediately after the introduction of the policy in 1994. (Since 1995 such giving has declined to more customary levels.) By contrast, they received an increase in cash donations of only \$2.2 million. While new works immeasurably enhance the range of collections, they also generate the need for increased spending on curation, preservation, restoration, storage and insurance.

Private sector support is an indispensable component of growth. However, even spurred by changes to taxation legislation, we have found that private sector support cannot replace responsible government funding policies that have the aim of promoting our collective well-being.

Changes in Economic Impact and Employment

STATISTICS CANADA DATA FOR 1993 SUGGESTS that about one in ten workers in the Greater Toronto Area received all or part of their income from employment in arts and culture, cultural industries and arts related work in other industries.

Statistics Canada also estimates that in 1993 the economic impact of these cultural activities nationwide was \$21.9 billion or 2.9% of the Canadian gross domestic product. This was an 8.2% increase over the cultural contribution to gross domestic product as measured in 1989. Culture was

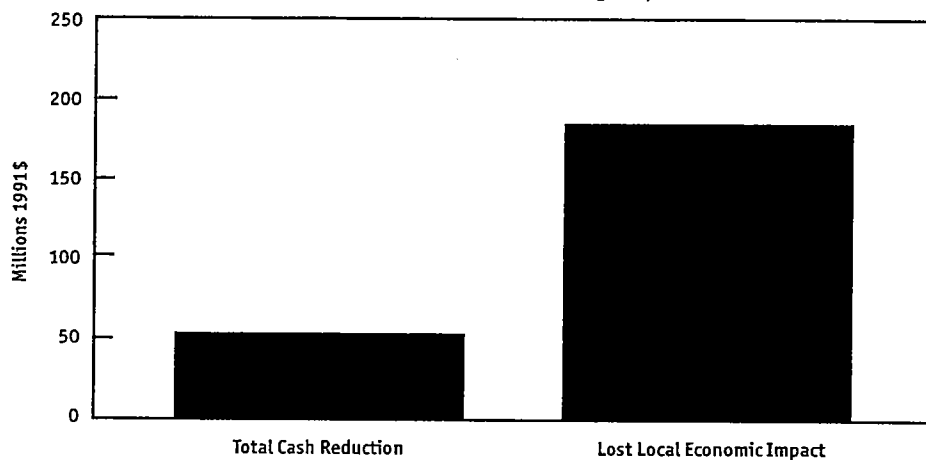
one of the few sectors that continued to grow during the first part of the recession. Statistics Canada also projected a growth of 45% in cultural employment for the period 1991 to 2005 based on the sector's performance between 1989 and 1993. Yet, the reality may yield different results.

In 1991 the Greater Toronto Area was already expe-

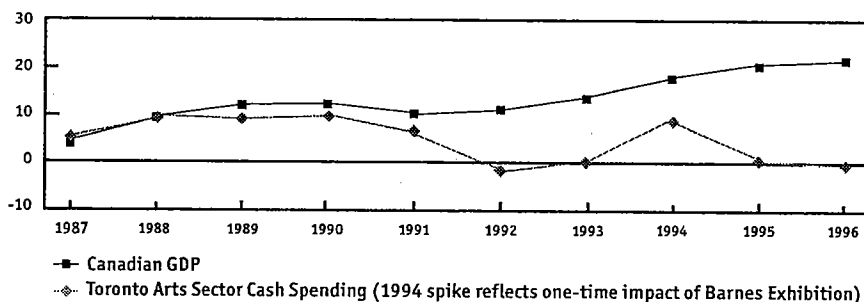
riencing the most severe recession in several decades. This was followed by slow but sustained growth from 1993 on. During the period 1991 to 1996, \$53.4 million was eliminated from Toronto's non-profit arts and culture community (this translates into approximately 1,400 jobs lost since at least 66 cents of every dollar in the non-profit sector is spent on labour

costs). While Canada's GDP grew by 11.2% between 1991 and 1996, the non-profit arts sector's performance, as measured by cash flow, shrank by more than 5%. As a result, the City lost an estimated \$180 million in local economic impact.

Total Cash and Economic Impact Loss
to Toronto's Non-Profit Arts Sector during the period 1991 to 1996



Canadian GDP & Toronto's Non-Profit Arts Sector
% Changes from 1986 to 1996



Activity and Service Levels

DOWNSIZING MEANS YOU'RE DOING LESS THAN YOU USED TO, doing less to meet the cultural needs of a growing metropolis of 2.3 million people. Between 1991 and 1996 the number of projects and organizations receiving funding from the Toronto Arts Council remained stable at around 300. However, during that time 31 long-established organizations that received ongoing grants from TAC disappeared. This period contrasts with the incredible growth which took place between 1986 and 1991, when the number of organizations and projects TAC funded increased from 190 to 290.

Perhaps most importantly, is the extra burden placed on artists' financial ability to generate the thousands of products that fill our stages, concert halls, dance theatres, galleries, bookstores and movie screens result in the billions of dollars which flow into our economy. Artists who receive grants in order to buy precious time to write, compose, paint, sculpt, choreograph discover they don't have four days a week to practice their art any more, they have less. More time is spent making ends meet (such as paying for basics like food and housing) and raising the working capital than is spent on creating artistic products.

Training opportunities dry up as understaffed, underfunded cultural groups discover they simply don't have the time or the resources to train the next generation of artists and other arts professionals.

Opportunities shrink, particularly for young and emerging artists and for artists from diverse cultural communities. The cultural infrastructure and critical mass of artists and arts organizations start to crumble and Toronto diminishes as the place to be in Canada if you're an artist.

Government has made its cuts. The arts and culture community has reacted prudently. Through downsizing, they're not spending money they don't have. The community has worked harder with less money and has experienced success at modestly increasing self-generated revenues and soliciting funds from the private sector. Executives in the non-profit arts and culture sector – board members and staff – struggled hard, made tough management decisions and improved their balance sheets.

But arts organizations are not as simple as financial statements. Lean and mean management of resources does not translate into richly creative presentations. The hard fact is that Toronto's arts and culture community's level of spending – and with it the service levels it produced – declined significantly over the period.

Between 1991 and 1996, annual operating deficit totals rose by \$6.5 million. Overall cash spending by Toronto's non-profit arts and culture organizations (exclusive of individual artists) declined from \$174 million in 1991 to \$164.4 million in 1996. As we head for the millennium, the community is carrying on at 1987 levels of spending. The loss of the art that might have been, and of the potential and dynamic positive impact of culture within our diverse communities, can never be captured by financial statements or economic data.

How Government Cuts Affect Governments Themselves

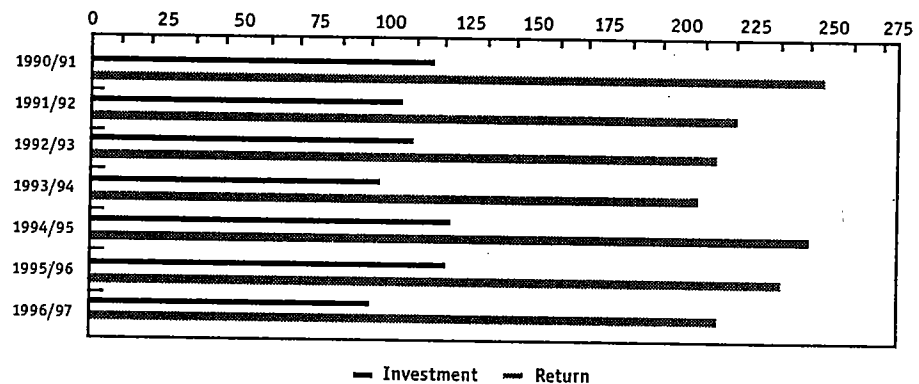
ASIDE FROM ARTISTS, arts groups and their audiences, the organizations hardest hit by the withdrawal of governments' arts support have been the federal and provincial governments. The about face in public policy on arts investment did not change the fundamental equation that exists between public arts funding and public payback.

To be specific, during the six year period, Toronto's arts and culture community received a total of \$555 million in direct support from all three levels of government. The arts community further benefited from various governments' tax policies that permit donors to cultural charities to receive tax savings. Total donations between 1991 and 1996 of \$277 million created tax losses to the government which were the equivalent of government expenditures of a further \$100 million. Total governments' support came to \$650 million.

From 1991 to 1996, in spite of the severe recession

Return on Government Investment

(Millions of 1991\$)



and the subsequent diminution of the arts and culture economy, governments still earned back \$2 for every dollar invested. However, since governments invested less, their returns contracted by \$80 million, roughly twice what they "saved" by cutting Toronto's arts and culture community.

The Predictions

THE GOVERNMENT-INDUCED RECESSION in the arts and culture community has taken us in surprising directions. Where once we had confidence in continued, steady, government-led growth, recent events have pushed us back to where we were more than 10 years ago.

The worst is still to come. The arts and culture community in 1997 endured the last phase of provincial cuts set in motion in 1995. Some \$5 million more was removed from organizations' cash flows. In 1997 the City of Toronto made available a one-time amount of \$250,000 to provide arts groups with some resources to develop strategies in order to mitigate the impact of the province's cuts. The Canada Council made available \$25 million across Canada in the early part of 1998, the first instalment of a special five-year appropriation. But this money, like the City's infusion in 1997, has been designated as one-time. Unless this \$25 million is added to the Canada Council's base budget, it is a short-term rather than a long-term solution.

If we have learned anything in the past 15 years of studying the arts economy, it is that we have to spend dollars to earn them. Mainly due to the behaviour of governments, we have found that during 1991 and 1996 Toronto's arts community lost a significant amount of its working capital. When the general economy improved, the arts community continued to move in the opposite direction. Total cash flow continued to fall. There were sharp declines in service levels and accessibility, and sharp increases in user fees, all of which limit the size of audiences. These changes will have a dramatic negative impact on the role arts and culture can play in making Toronto an important business and tourist magnet. Without major changes in provincial and federal government funding policies, Toronto's arts and culture community will not receive the levels of working capital needed to restore growth.

The Prospects

THE FUTURE WE SEE FOR THE NON-PROFIT ARTS AND CULTURE COMMUNITY of Toronto at the turn of the millennium is at best mixed. On the one hand, the private sector has taken up the cause of some arts organizations and this bodes well if the general economy continues to grow. On the other hand, the level of activity offered by a number of our nation's major cultural organizations continues to shrink.

The arts funding partnership that served us well for three decades has been fundamentally altered. Increases in private sector support that government predicted would replace public sector investment have so far not materialized. The whole community has lost a vital 7.4% of its working capital and is hindered by lingering deficits. The community is shrinking but has not yet lost the capacity to recover its former vigour. It still has a strong pulse.

In the past, the arts sector grew thanks to a carefully balanced mix of public and private support. We sincerely hope the past becomes once more a reliable chart for the future.

survival strategies

*Ken Gass, Artistic Director
Factory Theatre*

In late 1996, the Factory Theatre was on the brink of becoming another organization about to collapse largely as a result of diminished government support. The survival strategy used to restore the company to financial health involved a period of several months where the company was run largely with a volunteer staff lead by founding and returning artistic director, Ken Gass. Refurbishments to the theatre complex were also initiated by numerous volunteer work parties. Once again, the price of maintaining an important community asset has been carried on the backs of the artists themselves, whose personal sacrifices were instrumental in restoring the company to health.

While the Factory Theatre remains fiscally sound--in fact, we've just negotiated the purchase of our historic facility--diminished government support limits us in a number of crucial areas. Development programs have been trimmed to dangerous levels for a company committed to new Canadian plays. We still work with an underpaid skeletal staff, relying on part-time positions in many key areas. We have no custodial staff, and the burden of maintaining the space for public use is shared by everyone. We struggle to maintain a full season of professional programming, but in the current season, have one major gap in our mainstage offering due to the limits of our budget. The riskier work is harder and harder to facilitate, as are large-cast plays. Also important, we have no money for audience development and other much needed outreach activities. We have managed to survive, and creatively we continue to thrive. But the risk of exhaustion and burn-out is ever present.

*Laura Taler, Director
The Taler Group*

I am relatively lucky. My dancefilm work is being screened around the world. This means that I spend a lot of time acting as an administrator, negotiator and distributor. I spent nearly all of 1998 sitting at my desk making sure the films I made with some grant support were getting seen. This necessary work prevented me from translating my new ideas into vivid, fundable proposals.

I promised myself that I would spend January and February writing three proposals which I could then begin to finance. Thursday was going to be my only office-work day. It hasn't quite worked out that way. No matter how disciplined I am, no matter how hard I work, I still have precious little time to spend actually being an artist. It's a catch 22 situation: If I could get a few more projects moving I could afford to hire someone to work with me, to help me find varied sources of funding, and to look after the everyday operations of a small but bustling independent film company. But I don't have enough time to get new projects going because I'm too busy administrating the old ones. The cutbacks that have led to today's funding climate have resulted in too many administrator/artists. Not only have we cut back what we can afford to pay ourselves and cut back on the time spent perfecting a finished project but we have also lost the ability to give other people work.

survival strategies

Sherry Kennedy, Executive Director
Black Film and Video Network

During the 10 years of our existence, the Black Film and Video Network has been mandated to support, through its membership, the development of Black film, television and video artists. The reduction of government funding has meant a reduction in training opportunities, distribution of information and forums in which to screen the works of Black filmmakers. Therefore, on a very basic level, lack of sufficient government funding has meant an inability for us to fulfill our mandate.

However, it has also entailed a forcible change of focus from expansion to consolidation. So, rather than continuing to evolve along the lines of an outward-looking organization that affects real change at the policy level in the industry, we have now become confined to the realm of self-preservation. Whether or not we can continue to progress as a vital resource for Black artists will strongly depend on our ability to fill the current funding gap.

Jennifer Taylor, General Manager
Music TORONTO

Now in its 27th season, *Music TORONTO* faced its most difficult time in the 1991-96 period, including technical bankruptcy in 1992 and the burden of a massive accumulated deficit (\$378, 326). In those 5 years, our total funding from all governments was cut 29.5%, the major cuts being 42% of our Ontario Arts Council grant and 100% of our Canada Council funding (regained 50% in 1996 for different programmes). *Music TORONTO* reduced spending in order to absorb the impact of cuts in 3 ways:

- reduced staff from 4 to 1, which removed more than \$60,000 from the economy and \$9,000 from income taxes
- reduced concerts from 25 events to 20
- reduced spending on marketing by 56% and on administration by 35%

That reduction of staff, activity and spending had further negative effects:

- fewer concerts meant lower expenses but also lower box office revenue - exponentially, because of public perception the organization is in trouble;
- fewer concerts also lowers broadcast revenue, since there is less for broadcasters to choose;
- staff of one-responsible for entire operations reduces the organization's ability to fundraise.

Music TORONTO worked hard to mobilize private sector support, and was quite successful:

- total fundraising increased 18%; however, all of the increase came from remarkable success with annual car lotteries (a very risky effort, which failed in 1997).

Music TORONTO survived, had an operating surplus every year since 1992, and paid down 20% of its accumulated deficit. But we are deficit-driven: we cannot undertake adventurous programming or expand marketing to increase box office. We only survive, and at a severely reduced level; we neither prosper nor grow.

survival strategies

Colin Taylor, Artistic Producer
(Theatre) WUM

The aggressive, egregious assault on the financial and spiritual wellbeing of our artistic life, so eloquently delineated in this report, merits but one response: a deep reexamination of all our assumptions about why we do what we do, about the role of the arts in our culture and society, and about our place as artists in - and value to - our larger community. A strategy for survival for myself and my (microscopic) theatre company begins with taking the time - a scarce resource in the life of professional theatre practice - to understand both the political economy of our efforts and the *actual* validity and human worth of our contribution.

WUM has had about as much support as a small theatre company can from our current arts support systems. It is a virtual impossibility to pursue the company's initiatives on less governmental support. But to say that this now prevents us from continuing further would be to surrender to the forces of darkness. These times, ironically, necessitate a vigorous use of the imagination, as if one were at work in the rehearsal room, where you are given your givens, nothing else matters, you simply *must* find the formula to render something beautiful to an expectant audience. When the blind anger subsides and the hurt has been absorbed, we begin to see new and potent possibilities for creating work with passion and commitment for an audience hungry to hear our voices. WUM will survive and will return. It will just look different the next time: a different formula for a different reality.

Rebecca McGowan, Administrative Director
A Space Gallery

Funding cuts in the five year period from 1991 to 1996 have resulted in a decreased and destabilized funding base. A Space - with a 27 year history of issue oriented, politically engaged programming - has had to make very difficult decisions in order to survive. Our response has been in two areas; reductions to spending with a subsequent decrease in services, and increased goals for self-generated revenue. The impact of budget reductions has extended to a wage freeze, health benefits being cut and the elimination of a part-time position.

We are forced to rely heavily on volunteer support, resulting in a reduction of contract wages paid out to members of the community. Although we have a commitment to paying artist fees above the minimum CARFAC scale, we have not been able to raise these rates since 1992. The impact on programming has taken the form of fewer events, artists talks, visiting artists and publications. Although we have achieved some success with fundraising, in-kind donations and corporate/foundation sector sponsorships, this is not an easy solution as countless hours are spent organizing events and building relationships with the private sector. As this situation is on-going, we are very aware that the solutions we have been forced to pursue are not a feasible option for the long-term.

survival strategies

*Jini Stolk, General Manager
Toronto Dance Theatre*

Toronto Dance Theatre has grown and stretched as a company to meet the challenges of the last years. Our dancers -- without a doubt among the best in the world -- are now working and performing for fewer weeks (29 weeks compared to 35 eight years ago) because of cuts to our funding. Also, our production budgets are smaller than they used to be; we have less to spend on music, costumes and set pieces. In an effort to keep even with where the company was five or ten years ago, we've clarified our artistic vision, improved our marketing and fundraising skills and developed new and productive partnerships. But we've stretched ourselves thin. Crisis management is no fun; it's wearing, and it diverts our attention from what should always be our primary focus -- the creation and performance of dance and the engagement with our audiences in an experience which has the power to enrich their lives.

*Richard Bradshaw, General Director
Canadian Opera Company
Excerpts from a speech on January 20, 1999*

Since 1995, the Canadian Opera Company has lost more than \$1 million in operating grants from all levels of government. We have managed to balance budgets in the last two years only because of extraordinary personal generosity from individuals who are close to the company. I remain utterly confused by the failure of each level of government to really understand what their responsibility to the arts is. Boards of Arts Councils must fight for more money.....I simply wish to alert you to the danger of treating any arts organization as merely a business. The artist walks where the breath of the spirit blows him. He cannot be told his direction because often he does not know it himself. If we ignore the essential ungovernability of the artist, we shall have lots of sellable product of little importance, though it may be good for the balance sheet.