

DECEMBER 2021

Final Report: The Economic Conditions of the Nelson and Area's Arts, Culture, and Heritage Sector



Acknowledgments: The research team would like to gratefully acknowledge the support and guidance received from Andrea Wilkey, Executive Director of Community Futures Central Kootenay, Sydney Black, Executive Director of the Nelson and District Arts Council, and the City of Nelson's Cultural Development Committee.

The research team gratefully acknowledges the input of the anonymous interviewees who generously donated their time and expertise to this project, along with the many individuals who completed the online survey.

Funding for this project was provided by the City of Nelson.

Project Team: Ingrid Liepa, Jenna Annett, Daphne Powell, Spencer Legebokoff, Sarah-Patricia Breen

Publication Date: December 2021

Front Photo Credit: Orange Bridge Dance Group in front of the Colours of Nelson Mural. Photo by Ingrid Love.



On behalf of Selkirk College, I (we) acknowledge that we operate and serve learners on the unceded traditional territories of the Sinixt (Lakes), the Syilx (Okanagan), the Ktunaxa, and the Secwépemc (Shuswap) peoples.

TABLE OF CONTENTS

1. Introduction	4
2. Methodology	4
2.1. <i>Data Collection Overview</i>	4
2.2. <i>Analysis Overview</i>	5
2.3. <i>Limitations</i>	6
3. Survey Findings	6
3.1. <i>About the Respondents</i>	6
3.2. <i>COVID-19 Impacts on Individuals</i>	9
3.3. <i>COVID-19 Impacts on Businesses and Organizations</i>	12
3.4. <i>Sector Outlook</i>	15
3.5. <i>Working in Nelson and Area</i>	21
4. Economic Impact	23
5. Discussion & Opportunities	26
5.1. <i>Understanding the Sector: About the Respondents</i>	26
5.2. <i>COVID-19 Impacts on Individuals</i>	27
5.3. <i>COVID-19 Impacts on Businesses and Organizations</i>	29
5.4. <i>Sector Outlook</i>	30
6. Summary	35
References	38

1. INTRODUCTION

Nelson and the surrounding area are widely recognized as having a vibrant arts, culture, and heritage sector. Provincially, culture is estimated to account for 2.7% of the total provincial economy, and jobs in the arts and culture sector make up 4% of the total jobs in the British Columbia (BC) economy.¹ Additionally, the arts and culture sector across BC has grown nearly 25% since 2010, significantly higher than the national average.¹

The last in-depth study of the arts, culture, and heritage sector (the sector) in Nelson and area dates to 2003.² Since 2003, the local sector has changed, as has the surrounding community. Notable local changes in the sector since 2003 include the opening of Touchstones Nelson Museum of Art and History in the former city hall building, establishment of the City of Nelson's Cultural Development Commission, restoration of the historic CPR station, establishment of the International Mural Festival, and more. With COVID-19, the arts, culture, and heritage sector has been reported to be significantly impacted. However, there is an absence of accessible local data to help understand the impacts of COVID-19, as well as to understand the importance of this sector to the Nelson and area economy.

The Economic Conditions of the Nelson and Area's Arts, Culture, and Heritage Sector study (the study) aimed to provide data that supports the sector as it recovers from the impacts of COVID-19. By collecting and analyzing data specific to the City of Nelson and the Regional District of Central Kootenay Electoral Areas E and F, the study aimed to provide current, local, and credible information on the arts, culture, and heritage sector. The study had three objectives:

- 1) To understand the impact of COVID-19 on the arts, culture, and heritage sector;
- 2) To describe the size of the arts and culture sector and its contribution to the local economy; and
- 3) To identify recommendations for how to best support the COVID-19 recovery in the arts, culture, and heritage sector.

The Nelson and District Arts Council, Community Futures Central Kootenay, Community Futures Central Kootenay on behalf of the Nelson and Area Economic Development Partnership, and the City of Nelson's Cultural Development Committee are all partners supporting this project through participation on an advisory committee.

The following report presents the results of the Economic Conditions of the Nelson and Area's Arts, Culture, and Heritage Sector study and is organized into the following sections: overview of the methodology (Section 2); summary of key survey findings (Section 3); economic impact analysis (Section 4), discussion (Section 5), and summary (Section 6). An Appendix is attached with the complete survey results. Graphs and tables representing survey findings are organized by colour to differentiate between topics and the varying response rates:

- Blue represents questions about the respondents;
- Orange represents questions about the COVID-19 impacts on individuals;
- Yellow represents questions about the COVID-19 impacts on businesses/organizations;
- Green represents questions about the outlook of the arts, culture, and heritage sector; and
- Purple represents questions about working in Nelson and area.

2. METHODOLOGY

In order to respond to the three project objectives, the study was designed in 3 parts:

- Data collection completed through targeted interviews and an online survey;
- Data analysis; and
- Report preparation with a focus on recommendations to support the arts, culture, and heritage sector to recover from the impacts of COVID-19.

Each is discussed further in sections 2.1 – 2.2 below.

2.1. Data Collection Overview

A survey tool was designed by the research team with review by the advisory committee. The survey was administered in two ways, 1) through interviews with key individuals, and 2) through independent participation through an

anonymous online survey tool. The data collection process was approved by the Selkirk Research Ethics Board (2021-017 #2021-014). The final survey tool can be found in the Appendix.

Interviews: In June 2021, thirty-five potential interviewees were identified by the Nelson and District Arts Council. These key informants were identified to represent the five sub-sectors of arts, heritage, and culture sector: heritage, literary arts, film and media, performing arts, and visual arts. These key informants were contacted by the Nelson and District Arts Council's Executive Director and invited to contact researchers with Selkirk College if they wished to participate. Potential interviewees were subsequently contacted by the research team to arrange a time for the interview.

Between July and September of 2021 participants were invited to participate in interviews (see Table 1). The aim was a balance of representatives from the five sub-sectors. Many of the 35 initially identified interviewees did not respond, were not available, were not interested, or preferred to complete the survey online independently. Of the 28 that were invited, thirteen were available to participate in interviews. The one-on-one interviews used the same questions as the survey and were recorded using Zoom video conferencing. Interviews were typically 30 to 45 minutes in length and transcripts of the interviews were created and used for data analysis and data input. All interview participants are anonymous. Transcripts were used to input the interviewee responses into the online survey tool, as well as to generate additional qualitative data.

Table 1: Summary of Interviewee Sector Representation

Sector	Number of Potential Interviewees Contacted	Number of Interviewees who Participated
Heritage	3	3
Literary Arts	11	4
Film and Media	5	1
Performing Arts	3	3
Visual Arts	6	2
Total	28	13

In two instances interviewees represented more than one sector.

Online Survey: An anonymous online survey was created using SurveyMonkey. The survey tool was opened in July and was promoted by the community partners and Selkirk College through email and social media. The survey was closed on September 13, 2021. In total 117 individuals accessed the online survey, 113 confirmed the age requirementⁱ, 97 confirmed they met the regional requirementⁱⁱ, and subsequently 84 respondents proceeded with the survey. Response rates varied greatly per question as the remaining questions were not mandatory and skipping questions was permitted. The number of respondents per question is noted in the Appendix.

2.2. Analysis Overview

Quantitative Question Analysis: The data gathered by SurveyMonkey was analyzed using Excel. Key findings are reported in Section 3 and the complete analysis is available in the Appendix.

Qualitative Question Analysis: All open-ended responses gathered from the survey and interviews were analyzed using NVivo Qualitative Analysis Software. A code book was developed by the research team to guide the coding process. The analysis of qualitative data began with predetermined (closed) codes based on an existing conceptual framework designed to respond to the research objectives. Open coding was subsequently applied to identify emergent themes and topics of importance from within the closed coding structure. Coding was completed by the research intern with input and guidance from the research team.

ⁱ Respondents were required to confirm they were 18 years of age or older.

ⁱⁱ Respondents were required to confirm that they work in and/or manage a business or organisation that operates in the arts, culture, and heritage sector in Nelson, Area E, or Area F.

Economic Impact Analysis: The data and methodology for the economic impact analysis are presented in Section 4.

2.3. Limitations

As with any research, this study has limitations in its design and implementation. The full extent of the individuals (workers and volunteers), businesses, and organizations within the arts, culture, and heritage sector in Nelson and area is unknown, and therefore it was not possible to determine a representative sample size. The online survey instrument, while accessible, could not prevent the same person or organization from filling it out multiple times and therefore there is a possibility of double counts, although the results do not suggest this was an issue.

Within the survey data, the detailed nature of the questions was necessary as comparable data for the arts, culture, and heritage sector as defined for the purposes of this study are not available through other sources (e.g., Statistics Canada). However, there was a drop off in the number of respondents who completed the survey; the final question was completed by just 36 respondents. This could indicate challenges such as respondents running out of time or losing interest.³ This was expected and is one of the reasons the interviews were completed. Some questions are subject to different interpretations, which may have impacted responses. As with the above, these differing interpretations are expected, and are not expected to have substantively impacted the results.

Lastly, the results should be considered as a snapshot-in-time specific to the funding and support landscape available during the situation and time period. Any future efforts that seek to replicate this survey would need to consider the specific funding and support landscape that exists at that time.

3. SURVEY FINDINGS

3.1. About the Respondents

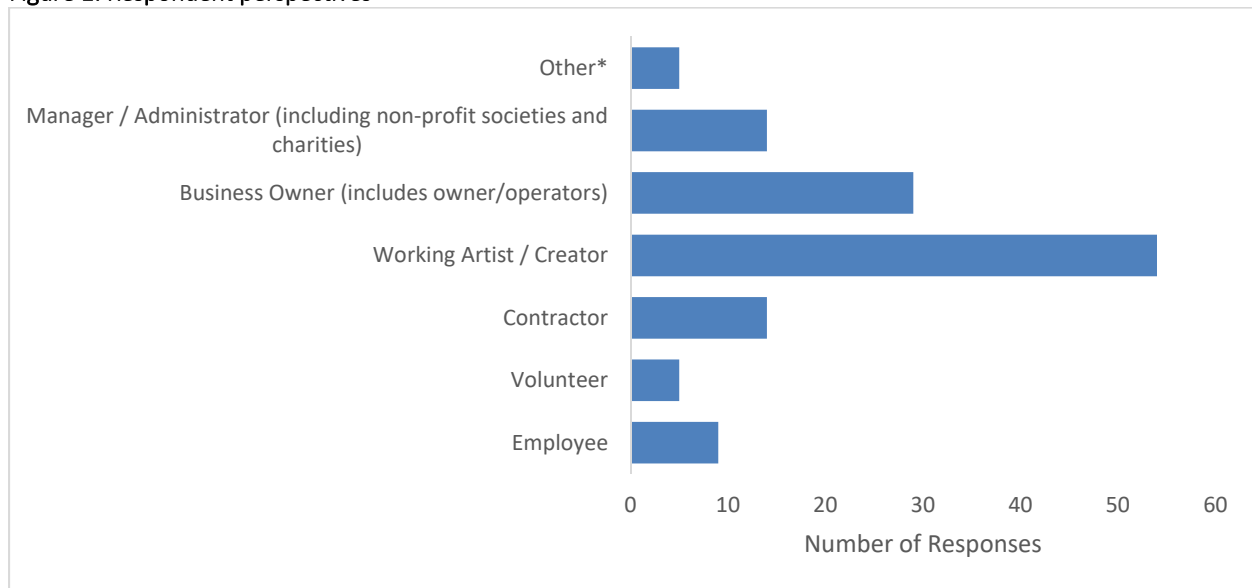
DEMOGRAPHIC INSIGHTS

There were 117 possible respondents to the survey. Once applicants were removed for ineligibility (e.g., due to age or location), for not providing consent, or for providing no data beyond questions one and two, there were 84 remaining survey participants. This section provides basic demographic insights on these 84 respondents who either participated in an interview (13) or completed the online survey (71).

Over two-thirds (69%) of respondents reside in the City of Nelson. Most other respondents (23%) live in RDCK Areas E and F, with the remainder living in other RDCK Electoral Areas or the City of Trail.

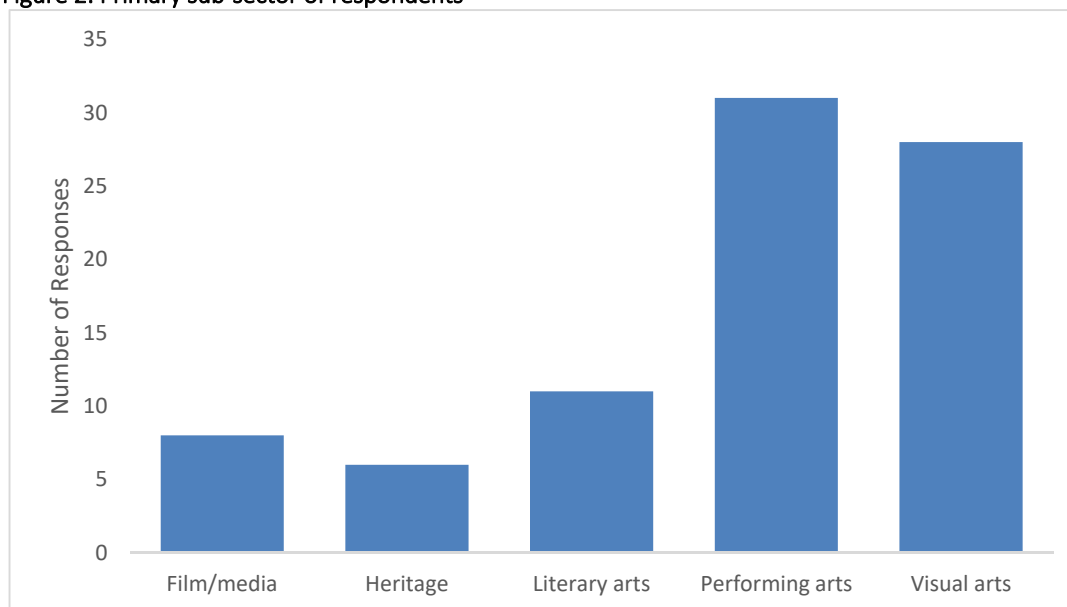
For the purposes of the survey, most respondents (64%) identified as working artists/creators, followed by business owners/operators (35%), and contractors (17%) (see Figure 1). Recognizing that individuals often wear “multiple hats”, the survey allowed for respondents to identify all the hats they were choosing to wear in responding to the survey.

Figure 1: Respondent perspectives



As shown in Figure 2, just over one-third of respondents indicated that they work primarily in the performing arts (37%), with another third (33%) working primarily in the visual arts. The remaining third were split between literary arts (13%), film/media (9%), and heritage (7%).

Figure 2: Primary sub-sector of respondents



Looking deeper at the full spectrum of sub-disciplines, respondents represented 22 areas, with visual arts, music, community arts, festivals, and literary and spoken word being the most often selected. See Appendix, question 5, for a complete list of disciplines and cultural areas.

Respondents have worked in the arts, culture, and heritage sector anywhere from 2 years to 50 years, with the average being 19 years. Seven age categories were used to gain insights on the age distribution of respondents, beginning with 18-29 and ending with 80+. The middle decades from 30 to 69 were relatively equally distributed with

between 18% to 24% of respondents falling into one of those decades. The average age range was 40-49 years old. Almost three quarters of respondents were female.

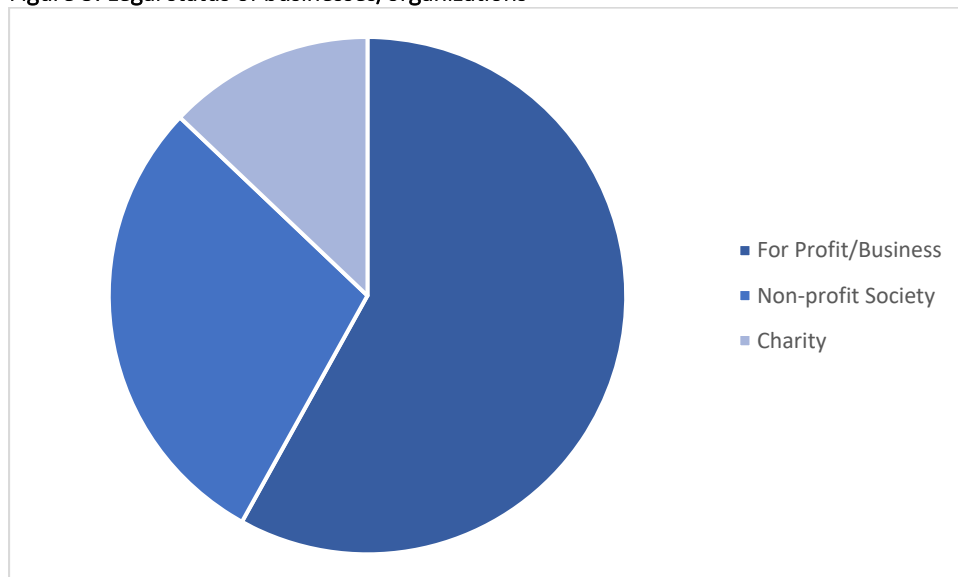
INSIGHTS ON RESPONDENT BUSINESSES/ORGANIZATIONS

This section summarizes insights from 30 respondents representing businesses and organizations active in the arts, culture, and heritage sector. As illustrated by Figure 3, the majority (60%) were owners or operators of a for-profit enterprise.ⁱⁱⁱ The remainder represented non-profit societies (30%) or charities (13%).^{iv}

Over 70% of the businesses/organizations represented have been in operation for more than 10 years, with 43% in operation for 20 years or more (see Figure 4). The remainder were split between 5 to 9 years (13%) and 1 to 4 years (17%). Most respondent organizations and businesses (80%) had stable ownership and/or management over the past five years, with only 20% of respondents reporting changes in ownership or management in the past five years.

When asked about having an office, space, venue, and/or facility for their businesses/organizations, more than half of the respondents (53%) reported working out of their homes, 60% were either renting or leasing a building, and 13% owned a building or space. Some respondents selected more than one option.

Figure 3: Legal status of businesses/organizations^v

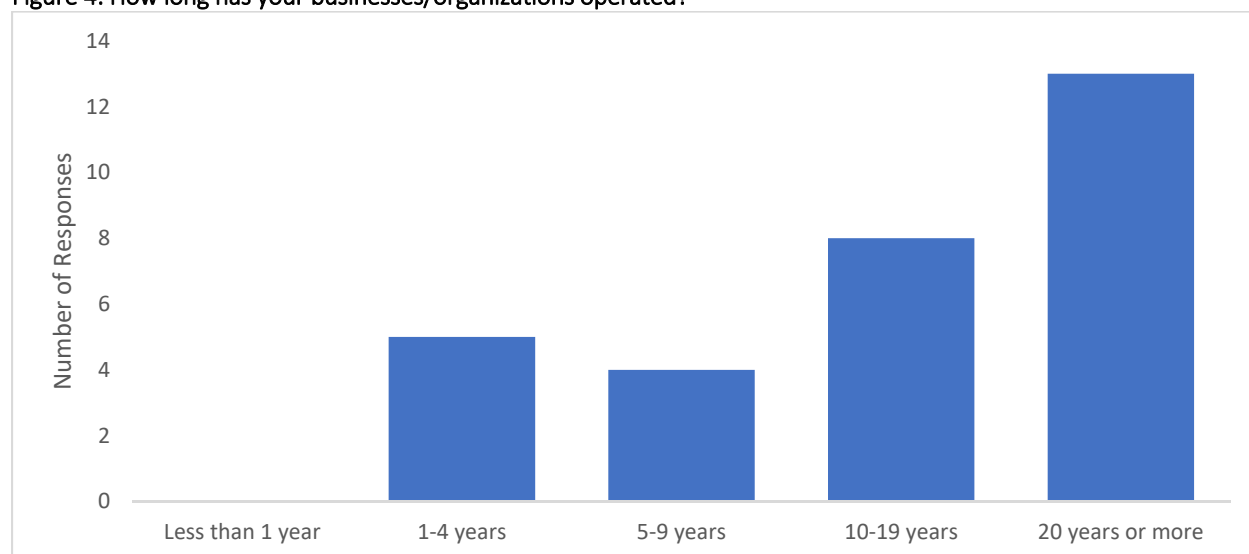


ⁱⁱⁱ Includes sole proprietorships, partnerships, corporations, and limited liability partnerships.

^{iv} One respondent selected two of the three options - non-profit and charity.

^v *Co-op or Collective*, *Government*, and *Other* received zero responses.

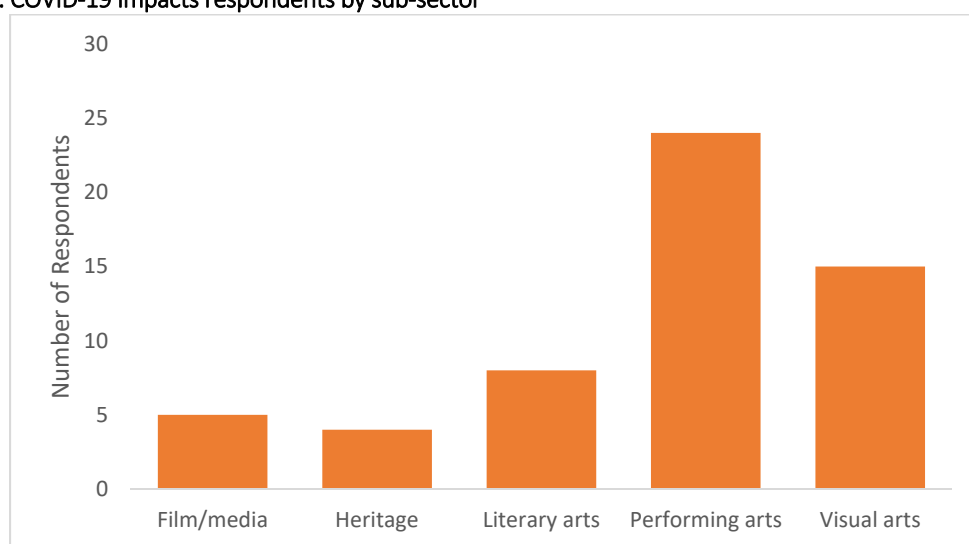
Figure 4: How long has your businesses/organizations operated?



3.2. COVID-19 Impacts on Individuals

Bringing greater clarity and understanding of the impacts of COVID-19 on Nelson’s arts, culture, and heritage sector was one of the main objectives of this study. Over a quarter of the survey questions focused on COVID-19 impacts to individuals,^{vi} with impacts to businesses/organizations covered in the subsequent section. The questions on impacts to individuals primarily engaged between 49 to 56 respondents, with an average of 49 respondents per question. Representatives of the performing arts (43%) and visual arts (27%) comprised most of the respondents for these questions (see Figure 5).

Figure 5: COVID-19 impacts respondents by sub-sector



IMPACTS ON INCOME, WORK, AND VOLUNTEERING

One set of questions sought to illuminate the impacts of COVID-19 on projected and actual personal annual income as reported by respondents and the percentage of arts-related income earned in 2020, excluding government

^{vi} See survey questions 10 through 26 and 33 through 36 in the Appendix.

supports (e.g., employment insurance, Canadian Emergency Response Benefit (CERB)). The average *actual* 2020 individual income reported by respondents was in the \$30,000 to \$40,000 range. The average *projected* 2020 income was in the \$40,000 to \$50,000 range, representing a 20 to 25% difference on average between actual and projected.

With respect to uptake of COVID-19 relief programs, 49% of the 59 respondents to this question indicated that they accessed CERB, 17% accessed the Canadian Recovery Benefit, and 8% accessed the BC Rental Supplement. A small number of respondents accessed other relief programs such as the BC Emergency Benefit for Workers, Canadian Emergency Wage Subsidy, Employment Insurance, and Showcase BC. Approximately 40% of respondents did not access any COVID-19 relief programs.

COVID-19 created novel challenges and obstacles across many spheres of life and work, the arts and culture sector included. The following were the top obstacles identified by respondents:

- General uncertainty and inability to plan for the future (81%)
- Shortage of personal energy and motivation (57%)
- Loss of audience and/or audience access (53%)
- Personal or family health and safety concerns (42%)
- Shortage of available work opportunities (38%)

Slightly fewer than half the respondents worked less in the arts, culture, and heritage sector in 2020 as a result of COVID-19, 19% worked more, and 30% did not experience a change in amount of work. It should be noted that both paid and volunteer work were reflected in this question. For those who worked less (26 respondents), 34% worked less than 1/4 of their previous work hours. When asked to look to the future, over three-quarters of respondents expressed strong confidence about working or volunteering in the sector in three, six, 12- and 18-months' time.

PIVOTING TO DIGITAL

Close to 60% of respondents felt that going digital was a necessary aspect of their artistic practice or operations, indicating that they were interested in or already exploring digital opportunities at the time of the survey. Only 27% of respondents believed that going digital could help advance their artistic practice. Just over a third of respondents (35%) said that going digital is not right for them, and most of these respondents were in the performing arts. Half of the individuals who said going digital is not right for them said they have the knowledge to do so.

The leading reason respondents shared for not going digital is that it was viewed as impossible with their medium, which relies on either live audiences and/or interactions or working with physical materials. Other reasons cited included Zoom fatigue, and lack of reliable internet, time or finances to make the pivot.

PIVOTING TO EMPLOYMENT OUTSIDE ARTS, CULTURE, AND HERITAGE

Despite the challenges of COVID-19, the majority of respondents (80%) did not make a career change to work outside of the arts, culture, and heritage sector. Some left the sector (5%) to pursue a different career, and 15% of respondents were considering a career change at the time of the survey. Among the main reasons given for changing careers were the impacts of COVID-19 coupled with the inherent nature of the arts, culture, and heritage sector, including factors such as low incomes, industry instability, and high levels of expectation for output and volunteerism.

GAPS IN COVID-19 PANDEMIC RESPONSE PROGRAMS

Respondents were asked to describe any gaps not being addressed by the existing pandemic response programs. Responses were received from 29 individuals, reflecting both individual and business/owner operator perspectives. Table 2 provides a summary of the feedback received from respondents.

Table 2: Respondent perspectives on gaps in existing pandemic response programs

Identified Gap	Nature of gap	Additional Description
Existing pandemic response programs were inaccessible (13)	Pandemic response programs failed to support specific sub-sectors	<ul style="list-style-type: none"> • Cinemas were largely unsupported because: <ul style="list-style-type: none"> • Different organizations were eligible for different supports, e.g., charities were eligible for BC Arts Council COVID-19 supports and businesses were eligible for small business grants • Exclusion of cinemas from arts sector funding due to misperceptions about their place in the sector. • Arts venues were unfairly relegated as “special events” by the BC government during the pandemics, resulting in a full 7-month closure, while museums and galleries were allowed an exception • Theatre artists were unsupported
	Ineligibility for existing pandemic response programs	<p>There was no and/or limited support for:</p> <ul style="list-style-type: none"> • Individuals on income assistance • Casual artists with side gigs and various hustles • People who are employed and self-employed simultaneously • People who live in one district and work or earn arts revenue in another district • Contractors • For-profit business that made less than \$5,000 (growing stages)
	Pandemic response programs had barriers to funding/access	Applications required internet skills that not all respondents have
Specific issues that are not being addressed by the existing pandemic response programs (9)	There is a need for increased operational funding for venues and artists	<p>Operational funding needs include:</p> <ul style="list-style-type: none"> • Rent • Utilities • Employee wages • Employee retention
Existing pandemic response programs were unpredictable (e.g., in terms of length) and/or inconsistent (5)	<p>Lack of predictability of supports resulted in:</p> <ul style="list-style-type: none"> • Uncertainty • An inability to plan for the future • Stress / concern 	
Current pandemic response program lacked in regional and / or municipal support (3)	There was a lack of local initiatives and funding to support the arts and working artisans who lost income due to shutdown of festivals and events	

Additional gaps in existing pandemic response programs noted by respondents include improvements to rural Wi-Fi access, funding for small arts businesses to get online, addressing labour shortages, shortcomings in promoting universal vaccinations, stopping discrimination against non-vaccinated individuals, and encouraging people to be more community-focused and considerate in their actions. One respondent observed that pandemic response and recovery funding needs to be more adaptive to the changes in the economy, noting that while individual financial support was required initially, it is now being used by some to stay out of the labour force.

A smaller cohort of respondents (17%) did not identify gaps in existing pandemic response programs. It was noted that some arts, culture, and heritage businesses and organizations (e.g., museums, archives, galleries) were more obviously eligible for support programs as they have tangible infrastructure and assets to maintain (e.g., buildings, archives, collections). As a result of access to support programs, institutions such as Touchstones, Oxygen, the Capitol Theatre were able to continue operating and employing people whether their doors were opened or closed.

IDEAS AND SOLUTIONS

Respondents were asked to provide ideas and solutions for government or other support agencies to consider to better support the arts, culture, and heritage sector. Increased funding and increased eligibility/access to funding and financial support were top of mind for more than half of the respondents to this question, with the following themes coming forward:

- Increase the amount of funding available
- Increase the length of time that funding is offered
- Continue to support the hardest hit sectors
- Provide more operating funding (versus project-based funding)
- Improve workforce attraction/retention through funding/employee subsidy programs/incentives
- Broaden access to grant funding to include individuals and businesses that currently fall through the cracks
- Make funding easier to get and faster to report on

A variety of local initiatives were suggested to strengthen Nelson's arts, culture, and heritage sector. These ranged from launching a PR campaign to reassuring the public of the safety of attending professional live and cinematic venues, to the City of Nelson and Nelson Kootenay Lake Tourism conducting research and investing in the sector, and initiatives that build and strengthen Nelson as a hub for arts and culture.

Other suggested ideas and solutions included improved access to COVID-19 testing for workers in the sector and clearer messaging regarding COVID-19 procedures, providing targeted local training opportunities to better equip local residents to work in the sector, and improved rural internet access.

SECTOR OPPORTUNITIES IN A POST-COVID-19 WORLD

At least half or more respondents were optimistic that there would be more opportunities for the sector in a post-COVID-19 world. Many highlighted the rapid growth and uptake of digital platforms to extend the reach of traditional offerings to new and wider audiences and create new opportunities for artists and creators to collaborate across jurisdictions. Some respondents (15%) felt that there will be a higher demand for the arts post-COVID-19, and more opportunities to host events. Others (19%) said that the opportunities in a post-COVID-19 world will be the same as pre-COVID-19.

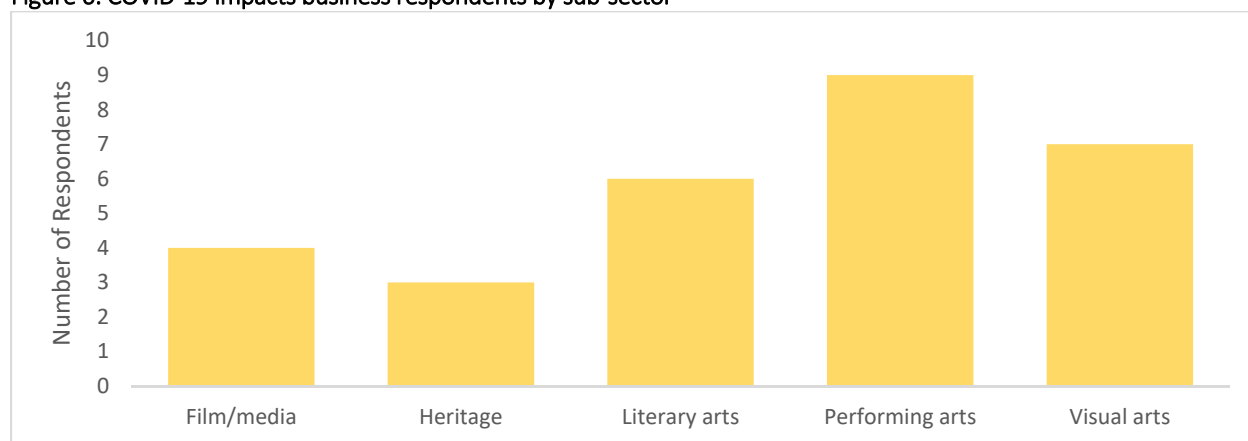
COVID-19 also served to highlight vulnerabilities in the sector (e.g., burnout and exhaustion; systemic racial and social justice issues; gaps and challenges in the funding system) showing opportunities to improve the sector for artists and venues going forward.

3.3. COVID-19 Impacts on Businesses and Organizations

Similar to the preceding section, a series of questions were focused on increasing understanding of COVID-19 impacts on businesses/organizations in the arts, culture, and heritage sector. These questions engaged 28 respondents. The

largest group of respondents were from the performing arts (31%), followed by visual arts (24%), and literary arts (21%) (see Figure 6).

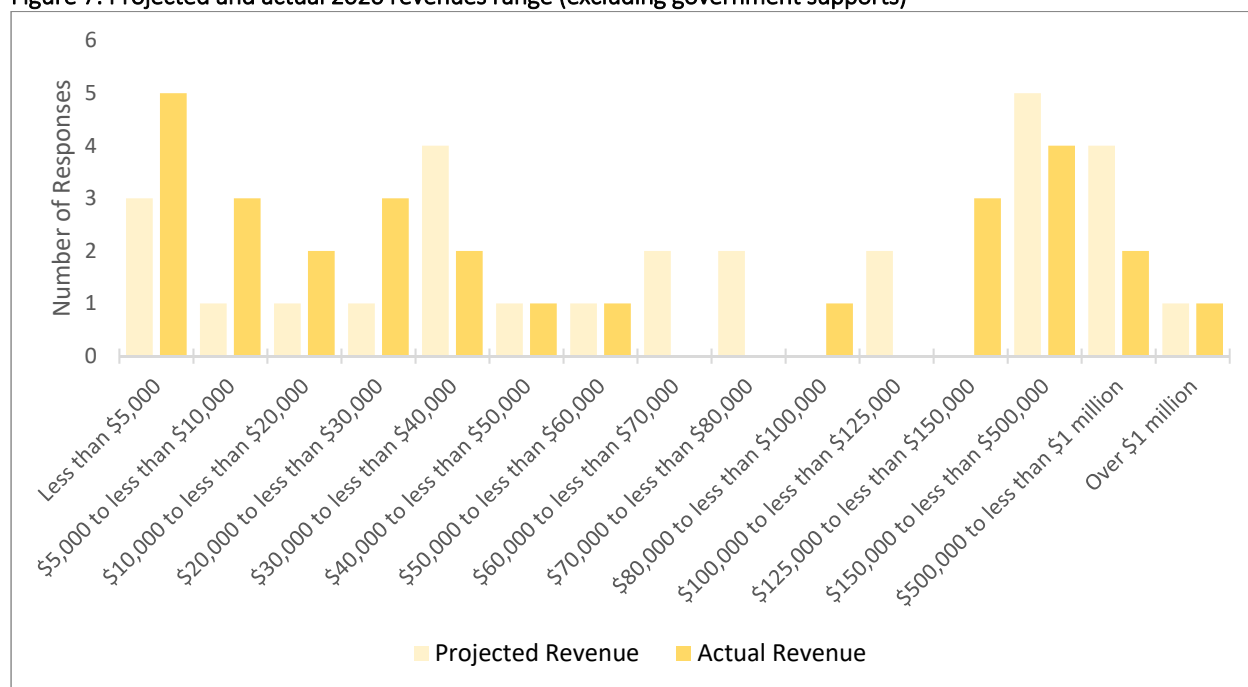
Figure 6: COVID-19 impacts business respondents by sub-sector



IMPACTS ON REVENUES AND OPERATIONS

Respondent businesses/organizations were asked to share projected and actual total revenues for 2020, as well as projected and actual revenues from the arts, culture, and heritage sector, exclusive of government supports in all instances. The percentage of revenue derived from arts, culture, and heritage activities (as opposed to other revenue sources) ranged from 0% to 100%, with 21% of respondents earning less than 20% of their 2020 revenues from the sector, and 57% of respondents earning 91 to 100% of their revenue from the sector. Responses for both projected and actual revenues ranged between less than \$5,000 to over \$1 million, with groupings of respondents at each end (see Figure 7).

Figure 7: Projected and actual 2020 revenues range (excluding government supports)



The average *projected* 2020 revenue was in the \$60,000 to \$70,000 range. The average *actual* 2020 revenue was in the \$50,000 to \$60,000 range, with the change between the two averages being an average revenue loss of 20%.

However, looking deeper into the data there were both winners and losers in terms of actual versus projected businesses/organizations revenues for 2020. These differences showed in the type of business/organization and sub-sector. For example, actual and projected revenues remained consistent for most (67%) of the charity respondents, while actual revenues were less than projected for most (75%) of the non-profits. In terms of sub-sector, the actual and projected revenues remained the same for all literary arts respondents, while a third of the heritage sector respondents reported higher actual revenues than projected. Actual revenues were lower for one-third (33%) of respondents from performing arts businesses/organizations, as well as being lower for most (75%) of film and media.

Collectively, responding businesses/organizations engaged with over 15 different COVID-19 relief and response programs, with the greatest program use being the Canada Emergency Wage Subsidy (25%) and BC Arts Council Resilience Supplement (21%). Similarly to the individual responses, a substantial portion of businesses/organizations (46%) did not access any relief or response programs.

The top COVID-19 related obstacles most identified by businesses/organizations respondents were:

- Inability to welcome patrons and/or host events (82%)
- Temporary closure due to public health restrictions (64%)
- Government regulations related to public health orders (61%)
- Uncertainty of government response impacting ability to plan effectively (46%)
- Financial constraints (43%)
- Fluctuations in demand for services/programming/activities offered (43%)

Businesses/organizations in the performing arts were impacted by these obstacles at a proportionately higher rate than other sub-sectors. A small number of respondents (5) reported additional COVID-19 related challenges and obstacles such as mental health of staff and volunteers, renovation, difficulty in getting a business licence, re-opening logistics, and losing volunteers to compounding crises (e.g., wildfire fighting).

With respect to staff and volunteers working remotely before, during, and after the pandemic^{vii}, the percentage of staff working remotely^{viii} more than doubled during the pandemic, then dropped somewhat after public health restrictions were relaxed, but remained above pre-pandemic levels (see Appendix, questions 28-30).

Despite the significant challenges presented by the pandemic, no respondent organizations or businesses had closed or were in the process of permanent closure or ceasing operations because of the pandemic; however, one respondent indicated that closure was expected within 6 to 12 months, and five others were assessing their situation. The majority of respondents (78%) were not considering closing. Overall, 68% of respondents were either very optimistic (30%) or somewhat optimistic (38%) about the sector's post-COVID-19 recovery prospects.^{ix}

PIVOTING TO DIGITAL

At the time of the survey, more than half of the respondent businesses and organizations (57%) were already interested in or exploring digital programming and practices, such as live-stream presentations, online exhibits, online workshops, and so on, with 53% indicating that it's a necessary aspect of the practice or operations of their respective business/organization. Respondents were most reticent about delivering hybrid programs/services when they become possible and feasible, with only 17% showing interest in this kind of pivot, and only 25% believed that pivoting to digital programming and practices will increase opportunities for their organization/business.

Going digital was not viewed as right for 39% of respondents. Of those respondents, more than a third of them (36%) indicated that their organization had the knowledge to go digital. The need for a live audience and/or in-person interactions was, by far, the most common explanation for not going digital. Other reasons included a lack of interest in going digital, a lack of financial resources, and an inability to go digital due to the nature of their work.

^{vii} "After the pandemic" should be understood as the time when public health guidelines allow for a return to work.

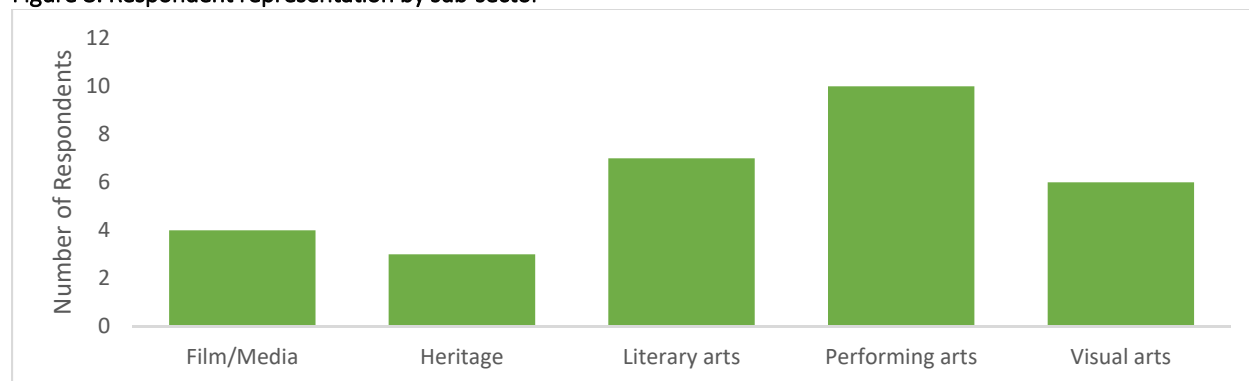
^{viii} Working remotely was defined as 50% or more of a person's hours.

^{ix} All survey respondents answered this question, not only business owners/operators.

3.4. Sector Outlook

The sector outlook section of the survey posed 30 questions to respondents representing arts, culture, and heritage organizations and businesses. There was significant variability in the number of respondents per question, ranging from a low of 14 to a high of 30, with an average of 24 respondents per question. For this section, the performing arts organizations and businesses had the most respondents (33%), followed by the literary arts (23%), visual arts (20%), film/media (13%) and heritage (10%) (see Figure 8). As noted above, the majority of respondents were representing for-profit entities (60%)^x, with the remainder coming from non-profit organizations (30%) and/or charities (13%).^{xi}

Figure 8: Respondent representation by sub-sector



As noted, 70% of the arts, culture, and heritage organizations and businesses that responded to this survey were in operation for more than 10 years, with 43% in operation for 20 years or more. Respondents were mostly positive in terms of the outlook for the next three years, with most organizations and businesses continuing forward (67%), some expanding (27%), one closing, and one unsure about what the next three years might hold. These responses align with an earlier question posed about the pandemic causing a serious threat of permanent closure, where 78% were not thinking about closing.

EMPLOYEES AND VOLUNTEERS

The average number of full-time employees reported by respondents was 6. This average decreases to 2, when accounting for non-responding participants and outliers (see Table 3). Over half of the respondent organizations and businesses (53%) indicated having either 1 or 2 full-time employees, with about one third (32%) having no full-time employees at all. An even higher percentage had no part-time employees (43%), full time volunteers (100%), part-time volunteers (61%), or casual employees (68%).

Table 3: Snapshot of employees and volunteers for respondent organizations and businesses

	Range	Average	Respondents reporting "none"	Total
Full-time Employees	0-25	2	32%	61
Part-time Employees	0-20	2	43%	66
Full-time Volunteers	0-0	0	100%	0
Part-time Volunteers	0-125	12	61%	341
Casual Employees	0-70	5	68%	133

Most employees and volunteers (78%) resided within the City of Nelson or RDCK Electoral Areas E or F, with a small proportion (16%) living elsewhere within the Kootenay region or elsewhere in BC (6%).

^x Sole proprietorship, partnership, corporation, or limited liability partnership.

^{xi} Respondents were given the option to select all that apply. Two respondents selected non-profit and charity.

The age distribution of employees and volunteers indicated low recruitment (4%) for ages under 25, and the highest recruitment level (32%) for ages 50 to 59. However, 25% of employees and volunteers are between 26 to 34 years of age, and 50% of all employees and volunteers are under 50.

Only 20 respondents reported hourly wages for their employees. The wages reported for full-time employees ranged from \$19 to \$55 per hour, with an average of \$30 per hour. The average wage of for-profits and non-profits were similar (\$30.2 and \$29.60 respectively), while the average wage for charities was lower (\$21). Wages for part-time employees ranged from \$17 to \$45 per hour, with an average of \$26 per hour. Lastly, wages for casual employees ranged from \$16 to \$25 per hour, with an average of \$22 per hour.

As shown in Figure 9 and Figure 10, prior to COVID-19, those respondents with employees and/or volunteers reported their numbers of employees and/or volunteers as either stable or increasing. Since COVID-19, respondents reported reductions in both employees and volunteers, and many were optimistic about employees and volunteers increasing or staying stable over the next three years. Detailed data for full- and part-time employees is available in the Appendix, questions 47-49.

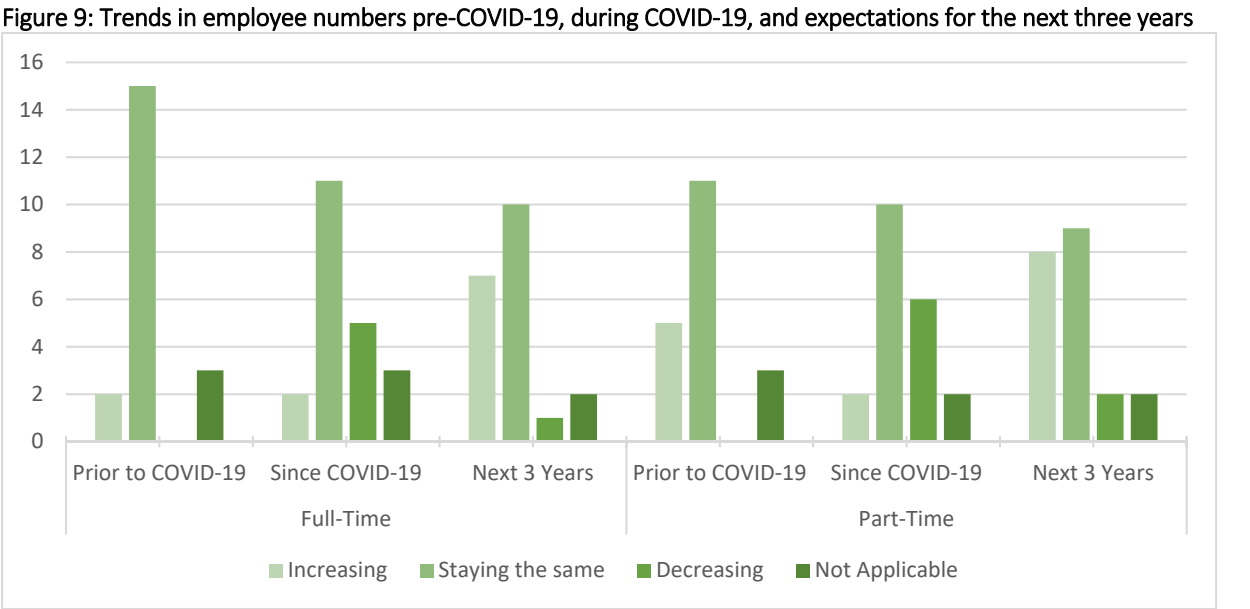
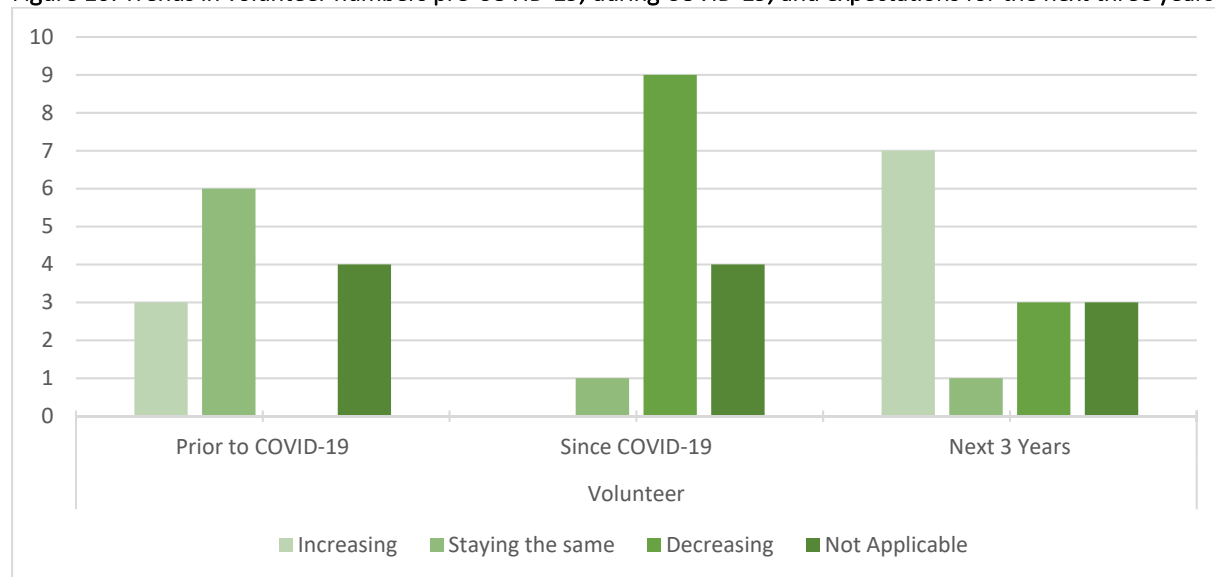
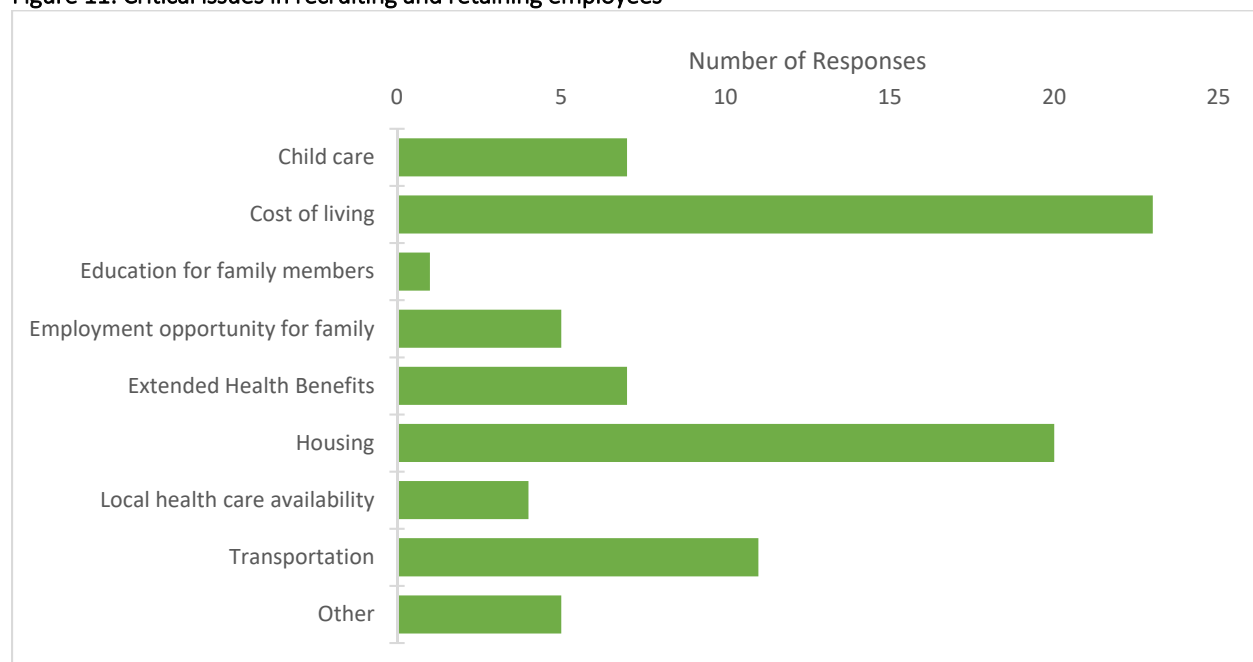


Figure 10: Trends in volunteer numbers pre-COVID-19, during COVID-19, and expectations for the next three years



Most respondents recruited their employees and volunteers (73%) locally (i.e., City of Nelson and RDCK Electoral Areas E and F). The most critical issues identified by respondents in recruiting and retaining employees and volunteers were cost of living (82%), housing (71%), and transportation (39%) (see Figure 11). In addition to the survey options, respondents also identified COVID-19 safety protocols and regional infection rates, and organizational funding levels that result in less-than-competitive salaries.

Figure 11: Critical issues in recruiting and retaining employees



Additional insights on workforce recruitment and retainment issues and solutions were gathered through two open-ended questions. Table 4 summarizes the feedback provided by 14 respondents.

Table 4: Respondent-identified challenges and solutions in workforce recruitment and retention

Challenges	Possible Solutions
Workforce challenges, including: <ul style="list-style-type: none"> • a lack of qualified employees and/or volunteers • a lack of people applying for positions • students leaving Nelson for larger cities with more opportunities • older volunteers do not feel safe working 	<ul style="list-style-type: none"> • Local training programs • Import workers • Staff retention funding programs • Placement funding to support new hires • End unemployment subsidies (e.g., CERB) • Resources for businesses to recruit from diverse communities so organizations are more eligible for funding that specifies recruiting from diverse communities
Low salaries with no benefits or pensions	<ul style="list-style-type: none"> • Increased operational funding that could go towards increased wages, benefits, and pensions • Wage subsidies
Affordable housing	<ul style="list-style-type: none"> • Build more housing • Advocate for homes • Raise the welfare rate
Lack of resources (adequate office/venue space and/or technologies)	<ul style="list-style-type: none"> • More accessible financial aid • More sponsorships
Transportation	<ul style="list-style-type: none"> • Improve transportation
Mental well-being of the staff	<ul style="list-style-type: none"> • Increased operational funding that could go towards increased wages, benefits, and pensions
Delegating tasks	

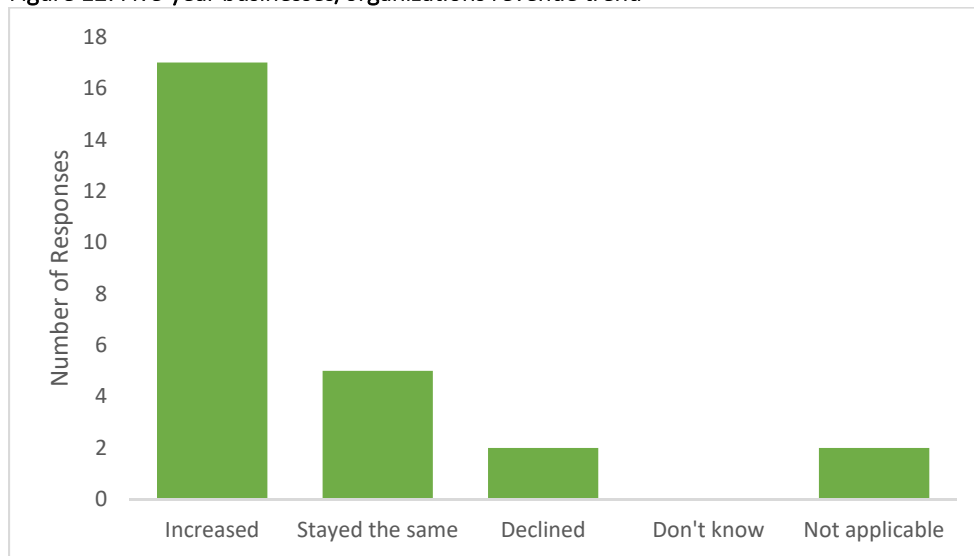
Adoption of diversity, equity, and inclusion policies was mixed, with 39% reporting policies in place, 39% reporting that they are not applicable, and 23% not having policies in place. Half of the respondents (50%) provide training or a training budget for employees and/or volunteers to upgrade skills, with 27% reporting that this question is not applicable to their situation.

REVENUE TRENDS

Reported pre-COVID-19 annual revenue of respondent organizations and businesses ranged from under \$5000 (12%) to between \$500,000 and \$999,999 (24%), with the largest cohort (29%) reporting annual revenues between \$150,000 and \$499,000. Similarly, reported annual expenditures ranged from less than \$5000 (13%) to between \$500,000 and \$999,999 (20%), with the largest cohort (27%) reporting revenues between \$150,000 and \$499,000.

The majority of respondents (80%) said they experienced positive annual revenue growth prior to COVID-19, with 40% estimating revenue growth between 1% to 9%, and 32% estimating revenue growth between 10% to 24%. When asked about historical revenue trends for their organization or business over the past five years, 65% indicated that they had increased, 19% indicated no change, and 8% indicated a decline (see Figure 12). In contrast, estimates of projected revenue growth indicated a decline for 23% of respondents, zero growth for 12% of respondents, and anywhere between 1% and 49% for the remainder of respondents (50%) reporting an estimate.

Figure 12: Five-year businesses/organizations revenue trend

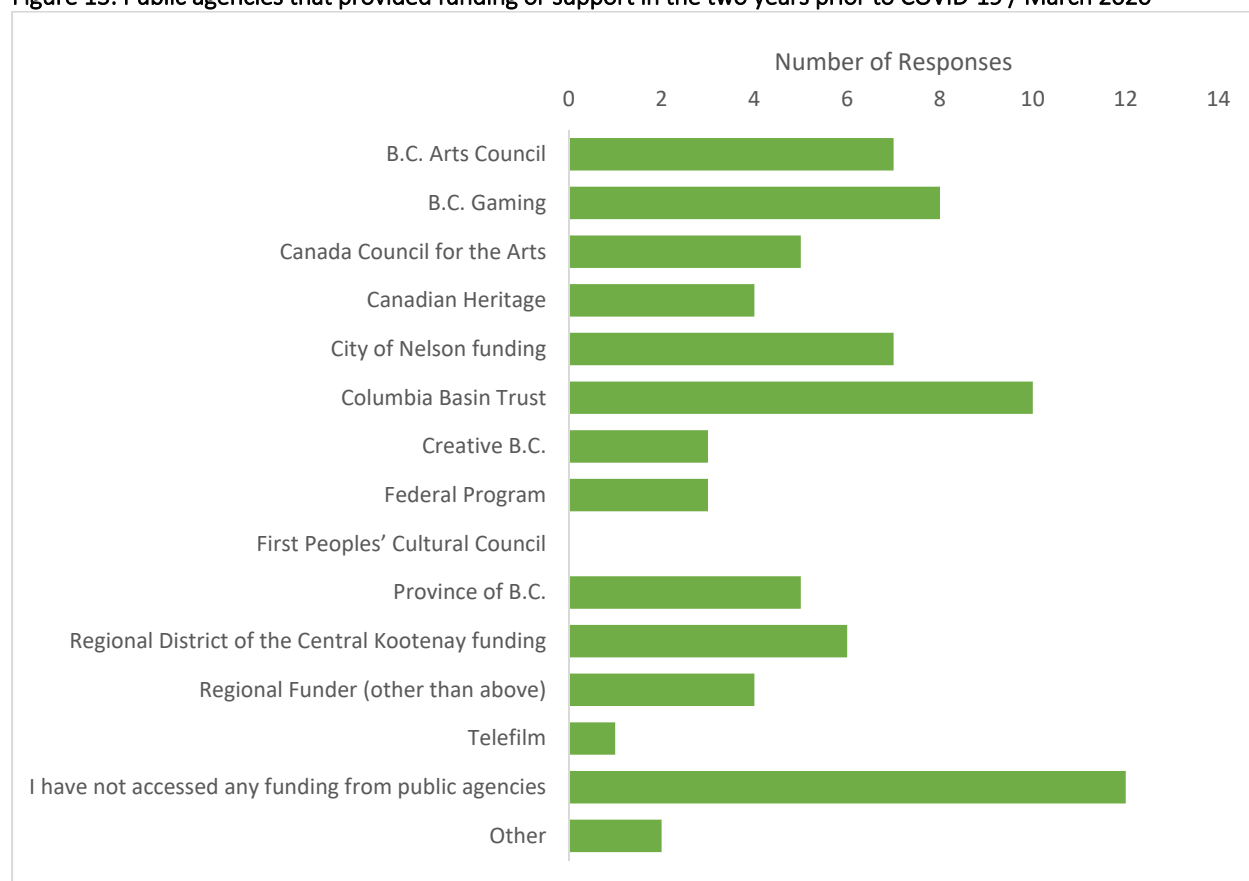


The geographic location of patrons, suppliers, and sources of sales revenue is predominantly local and regional. An average of 80% of sales revenue for respondents is generated locally (i.e., City of Nelson and RDCK Electoral Areas E and F), with an average of 9% generated from the larger Kootenay region and 7% from BC. With respect to the geographic location of patrons, an average of 60% were coming from the local area, 15% from the Kootenays, 7% from BC, 7% from the rest of Canada, and 10% from the United States. Suppliers were reported as mostly local (average of 56%). Common issues for respondents in purchasing products and/or services locally include products not being available locally (52%) and higher costs (48%).

In the two years prior to the pandemic in March 2020, 12 of 24 respondent businesses/organizations indicated that they accessed funding or support from one or more of over a dozen public agencies listed in a dropdown menu, with some respondents accessing other funding sources as well (see Figure 13). See Appendix, question 65, for details on other accessed funding sources.

For nine of the 18 respondents who responded to a question about the value of funding received, the average annual value of government support received was less than \$5,000. Two respondents received over \$150,000.

Figure 13: Public agencies that provided funding or support in the two years prior to COVID-19 / March 2020

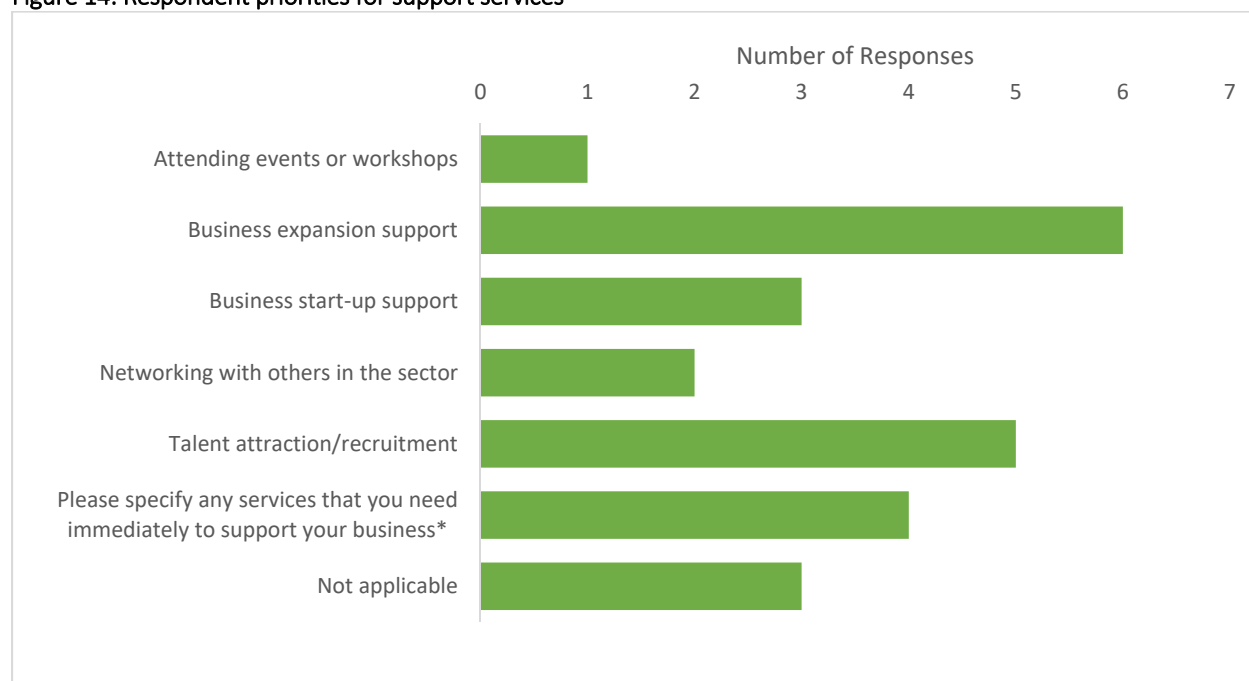


EXPANSION PLANS

Of the 25 respondents who responded to a question about plans to expand their organization or business in the next three years, over half were affirmative on expansion (52%), and most of the remainder (44%) did not have any plans for expansion. In general, plans for expansion were relatively modest in terms of total investment, with 8 respondents (47%) intending to spend less than \$10,000. Three respondents (18%) reported an estimated total planned investment of over \$1 million into expansion. Expansion plans included delivering a new product or service (65% of respondents), hiring more staff (59%), purchasing additional equipment (59%), adding or developing a new location (53%), and expanding at existing location (41%). The three biggest constraints on expansion in order of importance were finance, funding support for the non-profit sector, and post-COVID-19 uncertainty.

When asked about the most significant need or priority for support services, business expansion support was identified by 25% of respondents, followed by talent attraction/recruitment (21%), and business start-up support (13%) (see Figure 14).

Figure 14: Respondent priorities for support services



3.5. Working in Nelson and Area

Four questions at the end of the survey focused on identifying the area's strengths, weaknesses, and assets vis-à-vis the arts, culture, and heritage sector, and rating the overall local business climate. The questions on assets and local business climate engaged, respectively, 42 and 47 respondents, and the open-ended questions on strengths, weaknesses and barriers engaged 35 respondents.

With respect to Nelson and area assets viewed by respondents as supporting the operations of their organization or business, funding accessibility was the most identified asset by 64% of respondents, followed by Community Futures (57%), and professional development opportunities (55%). In contrast, workforce stability was identified by only 21% of respondents as a local asset, with workforce quality identified by 33% of respondents. Other assets identified included events, audiences and venues, heritage buildings that make Nelson aesthetically pleasing and attract people to move, secure safe housing, the Nelson and District Arts Council, and an arts-friendly community. On the quality of the local business climate, 55% of respondents rated it as good, 30% as fair, and 9% as poor.

Table 5 summarizes respondents' perspectives on the Nelson area's strengths and weaknesses/barriers as a place to do business and engage in the arts, culture, and heritage sector. The items in the table are listed according to the frequency they were mentioned, with most frequently mentioned items at the top.

Table 5: Respondent-identified strengths and weaknesses of the Nelson area for the arts, culture, and heritage sector

Weaknesses	Details
Physical Location	<ul style="list-style-type: none"> • Inaccessibility and lack of transportation • Lack of tourism • Rurality • Higher shipping costs
Lack of Support	<ul style="list-style-type: none"> • Limited funding for the sector • Arts programming is being cut • A lack of collective support from municipalities and regional districts • No centralized location to promote events
Cost of living	<ul style="list-style-type: none"> • A lack of affordable housing

Weaknesses	Details
	<ul style="list-style-type: none"> • Low wages • A general high cost of living
Venue Related Challenges	<ul style="list-style-type: none"> • Lack of venues, including: <ul style="list-style-type: none"> • Commercial gallery • Small theatre • Arts Centre • Lack of affordable studio and/or business space • High costs for venue rentals
Community Challenges	<ul style="list-style-type: none"> • Small audiences and a lack of art consumers • Misunderstanding of the sector • Lack of imagination, diversity, and vision for the sector • Non-inclusive community • Artists have to compete with free events
Workforce Challenges	<ul style="list-style-type: none"> • Low wages and performance feeds • Workforce availability, quality, and stability • Lack of employment opportunities
Strengths	Details
Community Support	<ul style="list-style-type: none"> • Public support • Non-profit support • Support from the City of Nelson, local small businesses, and Nelson and District Arts Council
Strong Arts Community	<ul style="list-style-type: none"> • Abundance of talented, skilled, and passionate artists • Diverse and vibrant arts, culture, and heritage sector
Reputation	<ul style="list-style-type: none"> • Attracts artists and tourists • A desirable place to be • Reputation as an arts town
Funding Opportunities	<ul style="list-style-type: none"> • Many funding opportunities, including funding from: <ul style="list-style-type: none"> • Columbia Kootenay Cultural Alliance • Columbia Basin Trust
Existing Venues	<ul style="list-style-type: none"> • Noted examples of existing venues: <ul style="list-style-type: none"> • Touchstones Museum • Oxygen Art Centre
Supporting Institutions	<ul style="list-style-type: none"> • Noted examples of existing supporting institutions: <ul style="list-style-type: none"> • Kootenay School of the Arts • Selkirk College
Events	<ul style="list-style-type: none"> • Abundance of events
Physical Location	<ul style="list-style-type: none"> • Area's isolation is part of its uniqueness • Hard to access art from outside communities

At the end of the survey, respondents were invited to share any final comments. Comments centered on suggestions for how the sector can be supported moving forward, and the positive and negative impacts of COVID-19. Most suggestions reflected the economic challenges of working in the sector and spoke to concepts such as investing in existing and new venues and spaces, universal basic income for artists, strengthening connections with the tourism economy, financial incentives for youth to become local performing artists, having affordable studio rentals and venues, and increasing awareness among key stakeholders of what's needed for the local sector to thrive over time.

Final comments on the positive or negative impacts of COVID-19 echoed many of the findings noted in preceding sections and highlighted how the pandemic's impacts were not experienced equally within the sector. Some

respondents experienced significant challenges and hardship, whereas others were able to pivot more easily and make the most of pandemic-related opportunities.

4. ECONOMIC IMPACT

The arts, culture, and heritage sector is economically important nationally, provincially, and locally. Economic impact assessments or analyses are done for a variety of reasons. When applied to a specific sector, like arts, culture, and heritage, it is generally done to get a sense of the size, importance, and performance of the sector – including changes in revenue, employment, and contributions to the economy. The results should be considered estimates.

Economic impact assessments vary and it is important to understand the assumptions and the limitations. Available data and calculations related to the arts, culture, and heritage sector come with a range of challenges. There are three primary challenges that readers should understand:

- 1) There is no universally accepted definition of the arts, culture, and heritage sector, which means what is being discussed can vary from one study or data source to the next.
- 2) Studies take different analytical approaches, make different assumptions, and use differing data sources.
- 3) Data collection methods of existing data sources (e.g., Census) can be at odds with the nature of the arts, culture, and heritage sector. For example, the census counts every person once. From an employment perspective, the census counts only the primary occupation of an individual. For sectors where multiple sources of income are common, this is a challenge and can discount or underreport the number of people employed. Additionally, employment data and standard economic analysis generally do not include volunteer labour – a critical component of the arts, culture, and heritage sector.

Further to the above, in rural places such as Nelson and area, there is an additional challenge related to existing data sources, owing to small numbers and data suppression requirements. It is important to understand the assumptions made in calculations, and not to assume the ability to compare against other calculations.

The above challenges make it difficult to directly compare reports and findings. Comparisons may not be meaningful due to the differences in the data. For example, the method in Nelson's 2003 Arts sector economic impact analysis report² used a significantly different approach than this report, meaning the exact numbers should not be directly compared. However, it is possible to compare trends and observations.

National and Provincial Context: Statistics Canada has a Cultural Satellite Account, which is used to understand the economic impact of Culture and Sport. This broad definition of culture includes six sub-sectors of arts and heritage and is also considered alongside sport.⁴ In 2019, Culture and Sport were calculated at \$63.2 billion, or 2.9% of the national economy.⁴ Culture accounted for the majority (90.4%, \$57.1 billion). According to this source, every province and territory across Canada reported growth in Culture and Sport.⁴ The Gross Domestic Product (GDP) for Culture and Sport in the Province of British Columbia was \$7.8 billion or 2.7% of the provincial GDP, which was higher than the national average of 2.6%.⁴ Culture and sport accounted for an estimated 772,000 jobs nationally.⁴

Similar GDP figures are reported by the BC Arts Council, which notes that in 2017 the arts and culture sector contributed 2.7% or over \$7.1 billion to the provincial GDP.¹ The same report also found that 98,050 jobs in BC (4%) are linked to the sector.¹ Different figures are reported by Creative BC, estimating \$4.85 billion in contributions to the provincial GDP and 66,524 total jobs for 2019.⁵

The above is an example of differences that owe their variation to differences in inputs and assumptions. However, each of these studies agrees on two key factors – 1) arts, culture and heritage are important to the national and provincial economy, and 2) the sector is growing, and has been growing more in BC than other provinces.

Local Impact - Historic: In 2003, a report was completed for Nelson and area to calculate the value of the arts, culture, and heritage sector.² This report included both supply (e.g., businesses) and demand (e.g., users), and applied a similar sector definition to the one used for this report. The 2003 report estimated the size of the sector to be \$7 million with a net economic impact of an estimated \$15 million, supporting an estimated 581 full time equivalent jobs – including

453 direct and 128 indirect jobs.² This work identified 250 organizations, businesses, and individuals in Nelson and area's arts, culture, and heritage sector.

Local Impact – Current: The purpose of the following is to estimate the benefit of the sector to the local economy. This economic impact analysis is strictly focused on the supply side. Estimates of economic impact are calculated based on existing reports, Statistics Canada data, and the data collected in the survey (see Appendix). Two sets of calculations were used in order to develop a range of potential impacts. The first set calculates economic impact (output and GDP) based on organizational data. The second set calculates economic impact (output) based on individual data. Multiple calculations were completed in order to triangulate and validate findings.

4.1. Calculations: Set One

4.1.1. PRIMARY CALCULATION: BASED ON SURVEY DATA (ORGANIZATIONAL REVENUE)

This approach involves a simple calculation approach similar to the Kootenay Tech Sector Survey⁶, based on the revenue data collected from the survey. For the relevant section of survey questions, the average response rate was 56 organizations.

Revenue Calculation: there were 28 respondents who reported their 2020 revenue.^{xii} The total reported revenue ranged between \$3.3 million and \$6.4 million,^{xiii} and the average reported revenue for 2020 was between \$50,000 and \$60,000. When this average is applied to the remaining 28 of 56 respondents who responded to the organizational questions, but did not report their revenue, this adds an additional estimated revenue of between \$1.4 and \$1.68 million. This results in a total of reported and estimated revenue ranges between \$4.7 and \$8.1 million (\$4,700,000 and \$8,105,000).

Calculation of Output and GDP: revenue data is used to estimate output and GDP in Table 6 and Table 7 using Statistics Canada Multipliers for the North American Industry Classification System (NAICS) Code 71 (Arts, Entertainment, and Recreation).⁷ ^{xiv} These calculations include direct and indirect impacts. Induced impact was not considered due to the idea that domestic economic leakage and double-count effects on other industries would overestimate the sector's economic impact in the region.⁶

Table 6: Organizational output based on survey data

	Statistics Canada Arts, Entertainment and Recreation Multiplier	Low Revenue: \$4.7 million	High Revenue: \$8.1 million
Direct	1	\$4,700,000.00	\$8,105,000.00
Indirect	0.475	\$2,232,500.00	\$3,849,875.00
TOTAL		\$6,932,500.00	\$11,954,875.00

Table 7: Local GDP Estimate

	Statistics Canada Arts, Entertainment and Recreation Multiplier	Low Revenue: \$4.7 million	High Revenue: \$8.1 million
Direct	0.481	\$2,260,700.00	\$3,898,505.00
Indirect	0.274	\$1,287,800.00	\$2,220,770.00
TOTAL		\$3,548,500.00	\$6,119,275.00

^{xii} It is worth noting that as discussed in Section 3, some respondents noted lower revenue in 2020 due to COVID-19.

^{xiii} Revenues were reported in ranges.

^{xiv} NAICS Code 71 has a narrower definition than the federal Cultural Satellite account discussed above.

Data Extrapolation: economic output and GDP numbers presented above are specific to the results of the survey. The total size of the Nelson and area arts, culture, and heritage population is unknown. However, it is unlikely that the survey captured the whole population. As the total population for the sector is unknown, there is uncertainty on whether the survey is a representative sample. However, it is possible to extrapolate based on anecdotal evidence and previous reports (e.g., the 2003 report). Assuming 56 organizations is roughly one-quarter of the total number of organizations, multiplying the GDP estimate in Table 7 by four provides an estimate of GDP contribution for the sector as a whole. **The estimated local GDP contribution of the sector is between \$14.2 million and \$24.4 million.**

4.1.2. COMPARATIVE CALCULATION: BASED ON PROVINCIALLY / NATIONALLY REPORTED DATA

In the absence of a reliable number for total organizations, it is possible to look to the provincial sector data and its contribution to provincial GDP. As reported by the BC Arts Council, the sector comprised 2.7% of the total provincial economy, adding over \$7.1 billion to the provincial GDP and 98,050 jobs.¹ This translates to labour productivity (GDP divided by the labour) of \$72,412.03 per person. Assuming this labour productivity number is the same in Nelson as it is for the province, multiplying it by the Statistics Canada identified 315⁸ NAICS Code 71 jobs in Nelson results in an **estimated local GDP value of \$22,809,791.**

Set One - Comparing Primary and Comparative Calculation: the two methods of calculation produced results within the same range. The range is likely a conservative estimate due to the narrowness of the NAICS Code 71 definition, as well as the limitations in how it is calculated.

4.2. Calculations: Set Two

4.2.1. PRIMARY CALCULATION: BASED ON SURVEY DATA (INDIVIDUAL INCOME)

Output calculation: There were 51 respondents to survey questions about individual income (from a total of 84 respondents). Actual personal income reported in the survey ranged from <\$5,000 up to \$120,000, with an average range of \$30k to \$40k. This range produces totals ranging from \$1.4 million to \$1.9 million. Assuming the same average range is applied to the other 33 respondents who did not respond to this question, the result is an additional estimated total range of \$990,000 to \$1.3 million. Added together, the total reported and estimated income range is \$2.4 million to \$3.6 million.

Table 8 shows the total estimated individual income impact for Nelson and area sector using Statistics Canada Multipliers for Labour Income (per dollar of output).⁷ It should be noted that these are total industry multipliers, as sector-specific multipliers are not available. These calculations include direct and indirect impacts. Induced impact was not considered due to the idea that domestic economic leakage and double-count effects on other industries would overestimate the sector's economic impact in the region.⁶

Table 8: Individual output based on survey data

	Statistics Canada Multiplier	Low Income: \$2.4 million	High Income: \$3.3 million
Direct	0.298	\$733,080.000	\$983,400.000
Indirect	0.130	\$319,800.00	\$429,000.00
TOTAL		\$1,052,880.000	\$1,412,400.000

Data Extrapolation: while the 84 survey respondents are not the full population of the Nelson and area arts, culture, and heritage sector, the NAICS Code 71 number for Nelson – 390 – suggests that the survey cohort is roughly one-quarter of the full population. Multiplying the ranges in Table 8 by four results in total estimates of the sector output. The estimated output range is **\$4.21 million to \$5.65 million.**

4.2.2. COMPARATIVE CALCULATION: USING STATISTICS CANADA DATA

According to Statistics Canada, Nelson and area has 390 people under NAICS Code 71, with average total income of \$26,951.⁹ The two are multiplied together to estimate a total income of \$10.5 million. Applying this total to the same multipliers used above⁷, the direct multiplier (0.298) value is estimated at \$3,132,245.22 and the indirect multiplier (0.130) is estimated at \$1,366,415.70. Together the total economic output from labour is estimated at **\$4,498,660.92.**

Set Two - Comparing Primary and Comparative Calculation: the two methods of calculation produced results within the same range. The range is likely a conservative estimate due to the narrowness of the NAICS Code 71 definition, as well as the limitations in how it is calculated.

5. DISCUSSION & OPPORTUNITIES

“A dynamic cultural sector is central to the success of Canada’s creative, knowledge-based economy.”¹⁰

This section highlights and discusses the most salient findings about the arts, culture, and heritage sector in Nelson and area and the impacts of COVID-19, to provide additional context by engaging data and findings from other relevant studies and reports, and to identify opportunities to support the sector into the future. For convenience, it follows a similar organizational structure to Section 3. Discussion related to findings about working in the Nelson area (Section 3.5) has been incorporated into the Sector Outlook (Section 5.4).

As has been pointed out above and in other studies, the arts, culture, and heritage sector does not fit neatly into the existing data categories and nomenclature used for economic measurement by official sources such as Statistics Canada. This challenge is exacerbated by the rural setting. These categories are poorly equipped to measure the full diversity and impact of a sector where many are working multiple roles and working in non-traditional employment categories.^{10,11} The arts, culture, and heritage sector is also driven by different values than traditional economic sectors, some of which are not easily measured, yet contribute to individual and community health and well-being.^{1,11}

It is also true that the sector has been defined in different ways for different purposes, and different studies take different approaches and apply different assumptions. It is important to be careful when attempting to compare across reports and statistics. Readers are encouraged to consider this study’s Limitations (Section 2.3) as they reflect on the discussion below. Nonetheless, many of the findings reported through this study are consistent with those found in other cultural and creative sector reports.^{1,10–12}

As the total Nelson and area arts, culture, and heritage sector population is unknown, the survey was unlikely to include the whole population. Despite this, the survey results provide valuable, if cautionary, insights on the local sector and raise questions about data gaps and sector opportunities, especially when considered alongside relevant data and reports from other sources.

5.1. Understanding the Sector: About the Respondents

AGE AND GENDER

According to a 2019 national cultural sector labour market study, the gender split is nearly equal between male and female workers, with cultural workers tending to be a younger workforce on average, and with 59% under 45 compared with 55% among all workers.¹⁰ Respondents to a COVID-19 impacts survey of BC’s arts and culture sector^{xv} were 68% female, 28% male, and 2% trans, non-binary or two-spirit.¹² Of those, 48% were under the age of 44.¹² Nearly three-quarters of the respondents to this study’s survey were female, and 52% were under the age of 50. This suggests that the age composition of Nelson and area’s arts, culture, and heritage sector may be slightly older than the norm. The average age of the Nelson population is 42.5, which is close to the provincial population average of 42.3.¹³ The national cultural sector labour market study observed that younger workers are less likely to be represented because they are more likely to work elsewhere for financial reasons until they can get established in the cultural sector.¹⁰

OPPORTUNITIES

- Continue to incorporate other, non-binary gender classification options in future studies.

^{xv} This survey had very low participation from the Kootenays. Only 6% of respondent organizations and 3% of respondent individuals were located in the much larger Interior Health region.

DISCIPLINES AND EXPERIENCE REPRESENTED

The majority of survey respondents (37%) worked primarily in the performing arts with another third (33%) primarily in the visual arts. Music was Nelson's leading performing art, with almost the same workforce participation as theatre and dance combined. Respondents represented over 16 different disciplines. In a provincial report, the majority were also working in the performing arts, with 48% in theatre, 37% in music, and 30% in dance, and a third (32%) in the visual arts.¹² Notably, the same provincial report had a much higher proportion of respondents from theatre and dance.¹² In terms of education, the 2016 census data for Nelson and area indicate that 620 residents studied visual and performing arts and communications, of which 89% (550) studied visual and performing arts.⁸

The average length of time that survey respondents reported working in the sector was 19 years, with a range of 2 to 50 years. In a provincial report, the largest group of respondents (28%) reported working in the sector between 10 to 20 years and identified themselves as "mid-career" or "established".¹² In contrast, 41% of Nelson and area's respondents reported working in the sector between 10 to 20 years, and 36% at more than 20 years. At 32%, the highest recruitment of workers was the 50-59 age category. This suggests that Nelson's arts and culture workforce may have, on average, more longevity and experience than the same workforce in other locations.

OPPORTUNITIES

- Increase awareness of the diversity of disciplines in Nelson and area's arts, culture, and heritage sector.
- Build on local sector longevity and experience.

ARTS, CULTURE, AND HERITAGE BUSINESSES/ORGANIZATIONS

In 2017, Canada had 117,000 cultural businesses and organizations, constituting 3% of all businesses/organizations.¹⁰ In BC, small businesses form the majority of this sector, including sole proprietors and gig workers delivering skills on a project-to-project basis.⁵ A City of Kelowna report indicated a doubling of creative sector businesses/organizations from 342 in 2009 to 626 in 2018.¹¹ The Nelson and area survey engaged 28 arts, culture, and heritage businesses/organizations that represented the performing arts (31%), visual arts (24%), and literary arts (21%); 60% were businesses and the remainder were non-profit organizations or charities. The total number of businesses/organizations in the arts, culture, and heritage sector in Nelson and area is unknown. Many of the businesses were small, with one or two employees or none. The picture painted by those who responded to the survey suggest a local sector that is relatively stable and established, with 70% in operation for 10 years or more, and 30% in operation for less than 10 years, however it is unknown whether this is representative of Nelson's entire sector.

OPPORTUNITIES

- Undertake further study to better understand and track the number and nature of arts, culture, and heritage businesses/organizations in Nelson and area, including ones that are small and/or virtual.

5.2. COVID-19 Impacts on Individuals

The Nelson and area survey used similar COVID-19 questions as the Greater Vancouver Professional Theatre Alliance survey (GVPTA)¹² to explore impacts of COVID-19 on the sector. This similarity allows for some comparison of the local sector's experience with that of artists and arts workers in other parts of the province. It should be recognized that the GVPTA survey has the same limitations on results as the Nelson and area survey (i.e., it is unknown whether it is a representative survey). Two thirds of individual respondents were from the performing arts and visual arts (see Appendix, Section 2).

ECONOMIC AND EMPLOYMENT IMPACTS

The major economic impacts of COVID-19 on individuals in Nelson and area were as follows:

- An average 20-25% shortfall between projected and actual incomes for 2020, with the average reduction falling from \$40,000-\$50,000 to \$30,000-\$40,000.
- Working artists/creators and contractors, and those in the performing arts and film/media were most likely to experience shortfalls.
- Those who were business owners, employees, or managers/administrators were less likely to be affected.

- About half of the respondents worked the same hours or more than pre-pandemic, and just less than half of the respondents worked less than pre-pandemic.
- Volunteer opportunities declined significantly.
- 40% of respondents did not access any kind of COVID-19 relief programs.
- Approximately 15% of survey respondents were considering a career change, citing the pandemic along with the sector's low wages, instability and high expectations for output and volunteerism.

In contrast, respondents to GVPTA survey reported larger income shortfalls, with 70% of artists and arts workers expecting their 2020 income from all sources to be less than \$20,000, and 46% of artists projecting their income to be less than \$10,000.¹² Only 26% of artists and arts workers maintained or increased their work hours compared to pre-COVID-19, with 39% working fewer than half of their pre-pandemic work hours in the sector.¹² Over a third of GVPTA survey respondents who identified as arts workers (36%) were feeling somewhat or very unlikely to be working in the arts in 18 months.¹² Further, high or very high levels of stress were reported by 55% of artists and arts workers in the GVPTA survey.^{xvi} These findings are indicative of the precariousness of the sector due to lower wages, employment that is often short-term, part-time or erratic—and without benefits.¹⁰

As shown in Table 9, artist and arts worker uptake of COVID-19 relief programs was substantially higher in the GVPTA's province-wide survey when compared to the local survey. For Nelson and area survey respondents, the most frequently identified gaps in COVID-19 relief programs were ineligibility of a sub-sector or type of arts worker, and the need for increased operating funding for venues and artists (see Table 2). The first gap may be somewhat indicative of outdated cultural sector classifications used by public agencies, and the second gap may reflect the non-traditional economic values of the sector. It is unknown whether these gaps were a major reason for the lower rate of uptake by Nelson respondents.

Table 9: Uptake of COVID-19 relief programs by Nelson and area respondents and artists/arts workers province-wide

COVID-19 Relief Program	Nelson and Area Survey	Province-wide ¹²
Canada Emergency Response Benefit (CERB)	49%	75%
Canadian Recovery Benefit	17%	22%
BC Rental Supplement	8%	28%
BC Emergency Benefit for Workers	6%	38%

Subject to all its limitations, the available data suggests that individuals in the Nelson and area sector fared relatively well in comparison to those in the rest of the province. This is underscored by the findings in Table 10, which show the shortage of available work opportunities as the second most significant obstacle for GVPTA survey respondents, whereas this obstacle ranked fifth in the local survey. It also shows up in the respective optimism for the future, where over three-quarters of Nelson and area respondents expressed strong confidence about working or volunteering in the sector over three, six, 12- and 18-months' time, whereas only 22% of GVPTA respondents expressed strong confidence about working in the arts in 18 months.

Table 10: Top five obstacles due to COVID-19 for Nelson and area respondents and artists/arts workers province-wide

	Nelson and Area Survey	Province-wide ¹² xvii
1	General uncertainty and inability to plan for the future (81%)	General uncertainty and inability to plan for the future (83%)
2	Shortage of personal energy and motivation (57%)	Shortage of available work opportunities (74%)
3	Loss of audience and/or audience access (53%)	Shortage of personal energy and motivation (61%)

^{xvi} Nelson and area respondents were not queried on their stress levels.

^{xvii} Respondents to the GVPTA survey were asked to respond on the basis of their experiences for August to October 2020.

Nelson and Area Survey		Province-wide ^{12 xvii}
4	Personal or family health and safety concerns (42%)	Personal or family health and safety concerns (58%)
5	Shortage of available work opportunities (38%)	Uncertainty of government response (49%)

OPPORTUNITIES

- Increase opportunities for operational funding for arts, cultural, and heritage sector organizations that can go towards wages and benefits.
- Develop wage subsidy programs specifically targeting the cultural sector.
- Ensure eligibility criteria for support programs account for differences in structure and characteristics of the sector, as well as differences in context (e.g., urban versus rural communities).

PIVOTING TO DIGITAL

The main takeaway from the Nelson and area survey regarding shifting to digital platforms is that most respondent individuals and businesses have the ability to do so, but many are uninterested. In Nelson and area, 60% of respondents felt that going digital was necessary to their artistic practice and/or operations, compared to 66% of GVPTA respondents.¹² However, only 27% of Nelson and area respondents believed that it would advance their artistic practice, compared to 56% of GVPTA respondents.¹² Performing arts respondents in both surveys were the most likely to agree with the statement “going digital is not right for me/my organization”. In both surveys, the museum and heritage sector were least likely (19%) to agree with this statement.

OPPORTUNITIES

- Explore potential link with rural connectivity challenges.

5.3. COVID-19 Impacts on Businesses and Organizations

Similar to Section 5.2, the GVPTA survey offers a province-wide snapshot of many of the same COVID-19 impact questions asked of Nelson’s arts, culture, and heritage sector businesses/organizations, providing some opportunity for comparison. Creative BC also undertook a province-wide industry survey in March 2020, shortly after pandemic lockdowns began.⁵ Business and organization respondents varied across all sub-sections within the sector (see Appendix, Section 3).

COVID-19 impacts on actual versus projected revenues for businesses/organizations showed a level of resilience among Nelson and area’s survey respondents, which will be discussed in more detail in Section 5.4. Although it is worth noting that a business or organization that permanently closed prior to the initiation of the survey may not have elected to participate. This is supported by the significantly lower uptake of COVID-19 relief programs by Nelson and area survey respondents compared to GVPTA respondents (Table 11), with 46% of Nelson respondents not accessing any COVID-19 relief at all. It is not clear whether the lower rates of access were due to barriers such as ineligibility, poor program fit, differences in context (e.g., rural versus urban), or other reasons (e.g., lack of awareness of available programs). Respondent businesses/organizations in the performing arts were the most likely to access relief programs.

Table 11: Uptake of COVID-19 relief programs by businesses/organizations in Nelson and area and province-wide

COVID-19 Relief Program	Nelson and Area Survey	Province-wide ¹²
Canada Emergency Wage Subsidy	25%	67%
BC Arts Council Resilience Supplement	21%	57%
Emergency Support Fund for Cultural, Heritage and Sport Orgs	11%	72%
Canada Emergency Business Account	11%	52%

Table 12 shows that financial constraints and a lack of resources or capacity to adapt were lesser obstacles for local businesses/organizations than for GVPTA survey respondents. In fact, lack of resources did not make the top five for Nelson respondents.

Table 12: Top five obstacles for businesses/organizations due to COVID-19 for Nelson and area and province-wide

	Nelson and Area Survey	Province-wide ¹²
1	Inability to welcome patrons and/or host events (82%)	Government regulations related to public health orders (67%)
2	Temporary closure due to health restrictions (64%)	Financial constraints (59%)
3	Government regulations related to public health orders (61%)	Lack of resources or capacity to adapt to the current reality (51%)
4	Uncertainty of government response impacting ability to plan effectively (46%)	Uncertainty of government response impacting ability to plan effectively (46%)
5	Fluctuations in demand for programming / activities offered (43%) AND Financial constraints (43%)	Fluctuations in demand for programming/activities offered (44%)

The Creative BC report indicated that the hardest hit cultural sectors provincially were live music and live action films.⁵ It also noted that the supply of live cultural programming and activities was disrupted by the pandemic, but this was offset by more streaming of music, television, and other digital programming, as well as increased demand for books, audiobooks, and magazines. The report identified 12 obstacles that arose in the first weeks of the pandemic in March 2020, including: supply chain issues, no gigs or events, and insurance issues.⁵

The shift of sector workers to working remotely mirrored a similar collective shift in many Canadian workplaces, and the extent to which this shift will endure remains to be seen. The GVPTA survey indicated that businesses/organizations with a facility were much more likely to expect staff to return to the workplace after vaccines become available, and most respondents expected a higher portion of the workforce to continue working remotely after vaccines are available than pre-pandemic.¹²

With respect to the threat of closure, 78% of Nelson and area respondents and 53% of GVPTA respondents were not concerned or considering closure at the time of the survey, with 18% of Nelson respondents assessing their situation compared to 44% of GVPTA respondents.¹² This suggests that cultural sector businesses/organizations in the Nelson area may be faring better, in general, than their counterparts in other parts of the province, which is also reflected in a relatively high level of optimism expressed about the local sector's post COVID-19 recovery prospects.

OPPORTUNITIES

- Explore barriers to accessing supports to better understand challenges and barriers (e.g., eligibility, awareness, context).
- Review regional funding opportunities to identify opportunities and barriers specific to the arts, culture, and heritage sector.

5.4. Sector Outlook

SECTOR FUNDING, REVENUES, AND GROWTH

Provincial and national data indicates that the arts, culture, and heritage sector has been growing since 2010, albeit with different estimates around rate of growth. For example, the Conference Board of Canada reported growth in employment of 3.2% between 2010 and 2015, and growth in real value-added output of 1% per year from 2013-2017.¹⁰ In Kelowna, the sector reportedly doubled in size between 2009 and 2018.¹¹ Locally, most businesses/organizations (65%) reported revenue growth in the five years prior to the pandemic, and more than half had plans for some type of expansion in the next three years.

According to the Conference Board report, the general revenue composition of the national cultural sector consists of government supports (17% on average, with a range of 2% to 21% depending on the sub-sector), exports (19%), and domestic consumption (65%).¹⁰ The Nelson and area survey responses suggest that the sector is mainly local/regional in terms of its workforce, suppliers, patrons, and sales revenue sources.

Table 13: Geography of Nelson cultural sector sales revenue, patrons, suppliers, and workforce

	Locally	Regionally	Within BC*
Sales Revenue	80%	9%	7%
Patrons	60%	15%	7%
Suppliers	56%	9%	20%
Workforce	78%	16%	6%

*Note: Rest of Canada and United States were also answer options.

The Conference Board report identified two trends relevant to revenues in the sector. First, Canadians spent over 10% less on cultural goods and services in 2017 compared to 2013, despite total household spending rising 8.8% over the same period.¹⁰ Only the visual and applied arts experienced a benefit from this increase in household spending. Second, exports of Canadian cultural products between 2012 to 2016 increased 6.8% annually, with exports of visual and applied arts, heritage and libraries growing at more than 9% annually.¹⁰

With respect to government supports, only half of the Nelson and area survey respondents accessed public grants and funding in the two years prior to the pandemic. A similar level of uptake occurred with COVID-19 relief programs. The Kootenay region is unique in having the Columbia Basin Trust (CBT) as the most-frequently-accessed funder, with 42% of respondents accessing CBT support in the two years prior to the pandemic. The reality is quite different in other parts of the province where municipal funding was the most accessed by respondents (63%), followed by BC Gaming being accessed by 58% of respondents.¹² It is unclear why Nelson and area appears to have lower-than-average uptake of public funding than the sector at the provincial level.

OPPORTUNITIES

- Expand focus to patrons, sales, suppliers and purchasing beyond the local region, including exports.
- Better connect arts, culture, and heritage businesses/organizations with existing business expansion support services.
- Further research on local, sector specific barriers experienced when accessing public funding.
- Create a collective and inclusive vision or strategy for the local arts, culture, and heritage sector.

WORKFORCE RECRUITMENT AND RETENTION

Despite the relative resilience of Nelson and area's arts, culture, and heritage sector, its workforce faces a number of underlying challenges that have been highlighted and, in some instances, exacerbated by the pandemic. These challenges range from the local cost of living and housing to a lack of qualified employees and/or volunteers, low salaries with no benefits or pensions, and the growing demand for more inclusive and equitable workplaces. These challenges are discussed after consideration of general sector employment trends.

SECTOR EMPLOYMENT TRENDS

As found in the Conference Board report, approximately 800,000 Canadians—4% of the nation's workforce—were employed in cultural occupations in 2015.¹⁰ Notably, this report found decreases in employment of 24.7% in heritage collection and preservation between 2010 and 2015, and an increase of 12.3% in creative and artistic production over the same period.¹⁰ While employment in the sector grew 3.2% during this period, this lagged the 4.3% growth in employment across the entire Canadian economy.¹⁰

The BC Arts Council reported that BC has the largest per capita concentration of artists (1.1%) and cultural workers (4.3%) of any province, with 98,050 full-time and part-time positions in 2017, equivalent to 4% of total jobs in the province.¹ From 2009 to 2018, the Kelowna report noted a doubling of full-time-equivalent jobs from 1279 to 3168.¹¹

The Community Profile for the City of Nelson provides two different snapshots of sector employment levels based on the National Occupation Classification (NOC) and NAICS classification systems, respectively: 1) arts, culture, recreation, and sport was 5.8% of the local workforce in 2016 (335 individuals), and 2) arts, entertainment and recreation industry comprised 3.6% of Nelson's labour force in 2016.¹³ For comparison, using the NOC data, the 5.8% of the local workforce with occupations related to art, culture, recreation, and sport is higher than the provincial average of 3.8%.¹³ At the local level, the 5.8% is also higher than other NOC codes like natural resources, agriculture and related production (3.0%) and manufacturing and utilities (1.6%).¹³

Job posting data for Nelson and area within arts, culture and recreation (as classified by NOC) indicates stability in overarching demand during the pandemic with the number of postings going from 52 (2019) to 50 (2020) to 58 (2021 to date).¹⁴ However, detailed breakdowns of these postings indicate a shift toward postings aimed at digital positions (e.g., graphic design or illustration).¹⁴ Most Nelson and area survey respondents indicated that their employee numbers were stable prior to the pandemic, with a small number of respondents reporting increases. Workforce quality and workforce stability were not seen as local assets or strengths by most respondents.

While the survey did not specifically provide an opportunity for respondents to identify as self-employed, it may be worth considering that 64% identified as working artists/creators, 35% identified as business owner/operators, and 17% as contractors. Of the 30 respondents who identified as representing a business or organization, 60% represented a business. In comparison, the Kelowna report indicated that 60% of this local sector is self-employed, and the Conference Board report found that 28% of the cultural sector is self-employed, rising to 41% for occupations in creative and artistic production.¹¹ Nelson's rate of self-employment is 21%,¹³ Kelowna's is 16%,¹¹ and the national rate is 12%.³

The arts, culture, and heritage sector relies heavily on goodwill and volunteering, which includes reliance on staff and workers to provide unpaid work to keep an businesses/organizations operational. The Kelowna report estimated the local sector had 11,000 volunteers contributing 380,00 hours in 2018, which works out to an average of 36 hours of service per volunteer.¹¹ Many of the businesses/organizations that responded to the Nelson and area survey did not have any volunteers, which limits current insights on volunteerism in the local sector. However, Nelson's 2003 economic impact analysis of the sector estimated the value of volunteer work in the arts at \$1.25M and equivalent to 49 full-time jobs.² The post-pandemic landscape for volunteerism in Nelson's cultural sector is uncertain, with some survey respondents indicating an expectation that the number of volunteers would continue to decrease.

OPPORTUNITIES

- Increase understanding of the nature and extent of volunteerism in the Nelson and area arts, culture, and heritage sector.
- Further study of Nelson's arts, culture, and heritage sector to determine the rate of self-employment.
- Identify opportunities to better understand and more accurately characterize the diversity of the sector's workforce.
- Connect the sector with targeted talent attraction/recruitment services.
- Staff retention funding (operational funding) programs.
- Develop local training programs.

WAGES AND INCOME

According to a Conference Board report, the biggest challenges for recruiting and retainment in the sector are insufficient earnings, insufficient benefits, and few opportunities for career advancement.¹⁰ Difficulties in recruiting for rural locations and for mid-level positions is also noted, as is finding qualified workers for jobs that combine multiple roles for modest pay. The report indicated that the average annual income of full-time workers in Canada's cultural sector is \$57,700, \$19,900 for part-time workers, and \$43,700 for all workers.¹⁰ These incomes are between 87% to 90% of the corresponding national averages for all sectors. The Kelowna report found that the average annual income for its full-time creative sector workers was \$59,000 and reported that incomes in the sector had increased 43% between 2009 and 2018.¹¹

According to Nelson’s 2020 Community Profile, the average annual income in Nelson in 2018 was \$55,500,¹³ and the average income reported by Nelson and area survey respondents for 2020 was between \$30-\$39,900.^{xviii} The reported wage range in the survey for full-time employees was \$19 to \$55 per hour, which is above Nelson’s 2021 living wage of \$18.46 per hour.¹⁵ Most of the part-time and casual wages reported in the survey were above the living wage with a small number of exceptions. The average wage for all employees was \$26 per hour, but only 27% of individuals reported receiving 100% of their income from the sector.

While the survey data is insufficient to infer any defensible observations about sector income and wages in the Nelson area, the national data shows the cultural sector with lower-than-average incomes, with many multiple job holders and/or working in other industries to complement or stabilize their incomes.¹⁰

OPPORTUNITIES

- Undertake more detailed data collection for Nelson and area cultural sector incomes to gain a better understanding of the local workforce realities.

COST OF LIVING AND HOUSING

The rising cost of living and housing were identified by the BC Arts Council as contributing to precarious situations for artists and culture workers.¹ Nelson’s most recent report on homelessness shows a high rental demand, with vacancy rates effectively at or near zero, and annual increases in average rents since 2017.¹⁵ A balanced vacancy rate is 3%.¹³ Nelson’s community profile found that 22% of Nelson residents are owners of unaffordable housing (compared to 21% provincially) and 22% of Nelson residents are tenants in unaffordable housing (compared to 43% provincially), where unaffordable is defined as spending more than 30% of household income on shelter costs.¹³ Nelson’s low income measure (LIM)^{xix} has been increasing since 2016 and was 19.1% in 2018, above the provincial LIM of 18%.¹³

OPPORTUNITIES

- Creation of affordable live-work and co-working spaces for artists and arts workers.

EQUITABLE WORKPLACES

There is growing awareness of the intersectional nature of equity and the needs of diverse equity-seeking communities in our workplaces, as well as long-standing systemic exclusion or marginalization of certain groups. Following this recognition, more workplaces are pro-actively shifting their culture and practices. The Nelson and area survey results showed a local sector that is at various stages of embracing new and emerging norms around equity, inclusion, and creating safe and respectful workplaces.

OPPORTUNITIES

- Improve policies and programs to support equity-seeking communities and foster safe and respectful workplaces, including workplace diversity training.

ECONOMIC IMPACT AND VALUE OF SECTOR

The economic impact analysis in Section 4 provides a conservative estimate of the sector’s local economic contribution. That the estimates are conservative relate to the methods of calculation and the data used. For example, for calculations based on survey responses, it is possible the total number of individuals and businesses/organizations is larger, and for calculations based on federal and provincial data, there is likely to be a larger number of people in the sector than what is being documented through official sources that rely on outdated job classifications and are not designed to track the complexities and nuances of a “gig economy”. Additionally, reported income and revenue data was from 2020 and lower than normal due to COVID-19.

^{xviii} The actual 2020 income ranges reported by respondents were about 20% less than their projected income ranges for 2020.

^{xix} Learn more about the low-income measure (LIM): <https://stateofthebasin.ca/economy/workforce/low-income-measure>.

Specific to the estimate of local contribution of the arts, culture, and heritage sector to local GDP, the \$22.8 million derived using official data sources is in the mid to high portion of the range generated from the survey responses. The alignment of the two data calculations indicates that the estimate is reasonable. Similarly, the two calculations for individual income impact are within range, indicating the estimates are reasonable. Further, based on what we understand about the data limitations, as well as the focus strictly on the supply side and direct and indirect impacts, the estimates provided should be considered conservative. These results, combined with the survey results, support the conclusions that arts, culture, and heritage are economically important to Nelson and area, and that the sector contributes substantially to the local GDP.

Understanding growth in the sector is challenging given that the differences in approach between the 2003 report and this study makes a direct comparison impossible. However, we can look to broader trends and proxy measures. Studies at the national and provincial level demonstrate growth in the arts, culture, and heritage sector, including in BC where the concentration of arts and cultural workers are the highest in Canada and where the sector's contribution to GDP is higher than the national average.^{1,4,5} In the sector employment trends section above, the percentage of the local workforce for the City of Nelson employed in arts, culture, recreation, and sport is reported as 5.8%. Not only is this greater than other sectors (e.g., natural resources, agriculture, and related production), but it is also higher than the provincial average of 3.8%.¹³ Given the provincial and national trends, combined with existing local data, it is reasonable to conclude that the sector is growing in Nelson and area.

While the full story on the impacts of COVID-19 will not be known until the pandemic can be seen clearly in the rear-view mirror, the work ahead lies in choosing avenues that sustain and grow the economic impact of the sector in ways that also strengthen the fundamentals for the sector's businesses/organizations, workforce, and the greater community. It remains to be seen whether that will be investing in renewal of existing cultural facilities or new facilities, strengthening connections with the local tourism economy, increasing the focus on exports, supporting diversity training, and/or many of the other ideas and solutions that came through the survey.

OPPORTUNITIES

- Better connect arts, culture, and heritage businesses/organizations with existing business expansion support services and talent attraction/recruitment services.

A QUESTION OF RESILIENCE

Resilience is not inherently positive or negative. A system, or sector, that is resistant to change can be considered resilient, even if its current state is considered ideal or even good.

The Conference Board report noted two major themes arising from its sector survey: scarcity of resources and the abundance of available production.¹⁰ Scarcity of resources is primarily about monetary challenges that show up in the form of low wages, precarity of work, and difficulty securing funding or generating stable revenue streams. A "poverty mentality" was noted as pervasive.¹⁰ The flipside is the abundance of available production - an observation of the deep well of creative output within the sector and an intrinsic drive to adapt and shapeshift in resourceful ways, where "necessity is the mother of invention". The Kelowna report noted that "artists are the biggest subsidizers of the arts by far, in all sectors", and that "much of what takes place in the not-for-profit sector cannot be accounted for with market metrics."¹¹

The apparent resilience of Nelson's arts, culture, and heritage sector through the pandemic echoes these paradoxes, and the explanations for it are not easily found in the local survey data or metrics, which more typically highlight the diversity of the sector. It is possible that conditions inherent in the arts, culture, and heritage sector (e.g., low wages, little job security, multiple jobs) enabled sectoral resilience in the face of COVID-19. Some may argue that this resilience is negative, persevering through low wages with little job security and holding multiple jobs. However, others may perceive this as part and parcel of creativity. This harkens to the non-traditional economic nature of the sector and the intangible qualities that will keep drawing people into the creative sector as practitioners, patrons, and supporters.

OPPORTUNITIES

- Undertake further research to understand the resiliency of Nelson's arts, culture, and heritage sector.

6. SUMMARY

Nelson and the surrounding area are widely recognized as having a vibrant arts, culture, and heritage sector. With COVID-19, this sector has been reported to be significantly impacted. However, there is an absence of local data to help understand the impacts of COVID-19, as well as to understand the overall importance of this sector to the Nelson economy. The Economic Conditions of the Nelson and Area's Arts, Culture, and Heritage Sector study aimed to provide data that supports the arts, culture, and heritage sector as it recovers from the impacts of COVID-19.

The study had three objectives:

- 1) To understand the impact of COVID-19 on the arts, culture, and heritage sector;
- 2) To describe the size of the arts and culture sector and its contribution to the local economy; and
- 3) To identify recommendations for how to best support the COVID-19 recovery in the arts, culture, and heritage sector.

A total of 84 eligible respondents participated in the study, including 28 businesses/organizations. The majority of respondents primarily worked in two of the five sub-sectors: performing arts (37%) and visual arts (33%). The remainder were split between literary arts, film/media, and heritage. The survey shows an established sector, with over 70% of responding businesses and organizations having been in operation for more than 10 years, with 43% in operation for 20 years or more.

The following are the overarching messages from the study, combined with highlights of key findings.

The impact of COVID-19 on the arts, culture, and heritage sector has been inconsistent. The results highlight both the already precarious nature of the sector and its resilience.

Income and Revenue

- In 2020, the average individual income was 20-25% less than the average projected income.
 - Working artists/creators, contractors, and those in the performing arts and film/media were most likely to experience shortfalls.
 - Business owners, employees, or managers/administrators were less likely to be affected.
- In 2020, the average revenues for businesses/organizations were 20% less than the average projected revenues.
 - Impact ranged dramatically depending on organization type and sub sector.
 - Charity revenues largely remained consistent, while the majority of not for profits were less than projected.
 - Literary arts remained consistent, while performing arts and film/media were less.
 - This loss is in contrast to the increasing revenues reported in the five years pre-COVID by the majority of businesses/organizations.

Employment and Volunteering

- Only 27% of respondents received 100% of their income from the sector - a strong indication of people holding multiple jobs.
- The reported wage range in the survey for full-time employees was \$19 to \$55 per hour. This is above Nelson's 2021 living wage of \$18.46 per hour. However, full-time sector positions are not the norm and low wages in the sector were cited as a challenge by individual respondents.
- Employment in the sector remains stable – but less so than prior to the pandemic and with changes in the available jobs favouring digital skills.
- About half of the respondents worked the same hours or more than pre-pandemic, and just less than half of the respondents worked less than pre-pandemic.
- Volunteer opportunities declined significantly.

Identified COVID-19 Challenges and Obstacles

Top Obstacles by Individuals	Top Obstacles by Businesses and Organizations
<ul style="list-style-type: none">• General uncertainty and inability to plan for the future• Shortage of personal energy and motivation• Loss of audience and/or audience access• Personal or family health and safety concerns• Shortage of available work opportunities	<ul style="list-style-type: none">• Inability to welcome patrons and/or host events• Temporary closure due to public health restrictions• Government regulations related to public health orders• Uncertainty of government response impacting ability to plan effectively• Financial constraints• Fluctuations in demand for services / programming / activities offered

Sector Resilience

- The impacts of COVID-19 on the sector are perhaps not as large or obvious as could be expected. The data suggests that individuals in the Nelson and area fared relatively well in comparison to those in the rest of the province.
- However, it is possible that contextual differences (e.g., rural versus urban) and existing precarious conditions inherent in the arts, culture, and heritage sector (e.g., lack of job security, necessity of having multiple jobs) enabled the sector to be resilient in the face of COVID-19.
- Few respondents (15%) were considering a career change.
- The majority (78%) of businesses and organizations were not concerned or considering closure at the time of the survey and over half (52%) were considering expanding in the next three years.

Local sectoral connection with COVID-19 support and funding programs was weak. This is a complex issue and warrants further investigation.

- Access to COVID-19 supports and funding was low:
 - 40% of individual respondents did not access any relief programs.
 - 46% of responding businesses/organizations did not access any relief or response programs.
- Perceived gaps in existing response programs included: inappropriate eligibility requirements, inaccessibility of programs, specific issues not addressed by existing programs, and lack of predictability.
- There are potential missing connections with existing support programs (e.g., business expansion, recruitment, retention).

The arts, culture, and heritage sector remains economically important to Nelson and area.

- Income from workers and revenue from businesses and organizations – even when reduced by the impacts of COVID-19 - have direct and indirect impacts on the local economy, resulting in a substantial contribution to the economy of Nelson and area.
 - Estimated organizational output (revenue) is between \$6.9 million and \$11.9 million.
 - Estimated individual output (income) is between \$4.21 million to \$5.65 million.
 - Estimated local GDP contribution of the sector is between \$14.2 million and \$24.4 million
- Even at a conservative estimate, the percentage of Nelson and area's labour force directly employed in arts, culture, and heritage sector (5.8%) which is higher than the provincial average, and is also higher than that of other local sectors like natural resources (3%) and manufacturing (1.6%). This is a conservative estimate because traditional statistical measures count 1 job per person, and as noted above only 27% of respondents received 100% of their income from the sector.
- Keeping in mind the differences in approach, a 2003 report identified an estimated economic impact of the sector at \$15 million based on both supply and demand. The above estimates only consider the supply side and yet are equal or larger in terms of impact, suggesting the sector has grown.

Based on the results, areas of opportunity and for improvement were identified. Priority opportunities include:

- Increase opportunities for operational funding for arts, cultural, and heritage sector organizations in order to enhance sector stability.
- Understand low uptake of COVID-19 support programs by identifying local, sector specific barriers to access. Communicate these barriers in order to inform changes to existing and future programs and supports
- Identify opportunities to better understand and more accurately identify and track the size and diversity of the sector's workforce, as well as businesses and organizations.
- Improve policies and programs to support equity-seeking communities and foster safe and respectful workplaces, including workplace diversity training.
- Create a collective vision or strategy for the arts, culture, and heritage sector in Nelson and area. An inclusive strategy should recognize connections between arts, culture, and heritage and other local sectors in order to take advantage of links and opportunities.

Approach and Methods

The study approach included the following: 1) data collection completed through targeted interviews and an online survey; 2) data analysis; and 3) report preparation with a focus on recommendations to support the arts, culture, and heritage sector recover from the impacts of COVID-19. Other relevant studies were included to provide context and comparison.

This study is not without limitations. The full extent of the individuals (workers and volunteers), businesses, and organizations within the arts, culture, and heritage sector in Nelson and area is unknown, and therefore it was not possible to determine a representative sample size. Available data and calculations related to the arts, culture, and heritage sector come with a range of challenges that make it difficult to directly compare reports and findings.

REFERENCES

1. British Columbia Arts Council. *2019/2020 BC Arts Council Report*. https://www.bcartscouncil.ca/app/uploads/sites/508/2020/09/20192020-BC_Arts_Council_Annual_Report-Online.pdf (2020).
2. McGuire, D. & Thorne, S. *The Economic Impact of the Arts in Nelson*. (2003).
3. Dillman, D. A., Smyth, J. D. & Christian, L. M. *Internet, Mail, and Mixed-Mode Surveys. The Tailored Design Method*. (John Wiley & Sons, Inc., 2014).
4. Statistics Canada. Provincial and Territorial Cultural indicators, 2019. *The Daily* <https://www150.statcan.gc.ca/n1/daily-quotidien/210527/dq210527b-eng.htm?CMP=mstatcan> (2021).
5. Creative BC. *2019/2020 Impact Report*. https://drive.google.com/file/d/1ZCCbMUhoPk6FYjw_-BKuHJTDmNL4jFm5/view (2021).
6. Smillie, S. & Schrottenbaum, I. *The Kootenay Technology Sector Assessment 2020*. (2020).
7. Statistics Canada. Input-output multipliers, provincial and territorial, summary level. *Table 36-10-0113-01* <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610011301&pickMembers%5B0%5D=2.1&pickMembers%5B1%5D=3.1&pickMembers%5B2%5D=5.24&cubeTimeFrame.startYear=2013&cubeTimeFrame.endYear=2017&referencePeriods=20130101%2C20170101> (2020).
8. Statistics Canada. Census Profile, 2016 Census. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (2019).
9. Statistics Canada. Table 98-400-X2016300. *Census of Population* <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/dt-td/Rp-eng.cfm?TABID=2&Lang=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=1341808&GK=0&GRP=1&PID=111860&PRID=10&PTYPE=109445&S=0&SHOWALL=0&SUB=0&Temporal=2017&THEME=124&VID=0&VNAMEE=&VNAMEF=&D1=0> (2017).
10. The Conference Board of Canada. *Labour Market Information Study of the Cultural Labour Force 2019*. <https://www.culturalhrc.ca/LMI2019> (2019).
11. Vann Struth Consulting Group Inc. *Creative Sector Economic Impact*. https://www.kelowna.ca/sites/files/1/docs/community/Culture/kelowna_creative_sector_economic_impact_study_-_web_version.pdf (2019).
12. Greater Vancouver Professional Theatre Alliance. *COVID-19 Impact Report British Columbia Arts & Culture Sector - Fall 2020*. <https://www.gvpta.ca/programs/covid-19-sector-impact-survey> (2020).
13. Columbia Basin Rural Development Institute. *Nelson: 2020 Community Profile Report*. https://stateofthebasin.ca/statics/reports/CommunityProfileReport_2020_Nelson.pdf (2021).
14. EMSI. Job Postings - Nelson, RCEK areas E and F. (2021).
15. Nelson Committee on Homelessness. *13th Report Card on Homelessness for Nelson*. <https://view.genial.ly/60748c377627030d0e4846a8> (2021).

301 Frank Beinder Way,
Castlegar, BC V1N 4L3
phone **250.365.7292**
toll free **1.888.953.1133**
email **info@selkirk.ca**