

## Economic Impact of the Arts in Alberta The Story of the Study

Many of Alberta's artists are aware of the **Alberta Foundation for the Arts (AFA)**, which provides \$19 million annually in funding to arts organizations, groups and individual artists in the performing and literary arts, visual arts, and film/video. The funding for the AFA comes from the Alberta Lottery Fund.

Alberta's Arts Sector is also served by the **Arts Development Branch (ADB)** of the Ministry of Community Development, which provides support services to the AFA by administering grants, organizing information, and coordinating activities. The Branch also provides a wide range of consultative services to the Arts Sector throughout the province.

Both of these organizations recognize the fundamental contributions that the Arts make to Alberta. The benefits to health, recreation, learning, personal growth, business creativity, and the beauty of our province are known to all who reflect on the importance of the arts.

But it is also important that we understand the economic benefits of the Arts Sector in the province. To that end, in 2004 the Alberta Foundation for the Arts and Alberta Community Development commissioned **Econometric Research Limited (ERL)** to prepare an independent analysis of the importance of the Arts Sector to the Alberta economy. The research focused on how the Arts Sector contributes to the Gross Provincial Product, an economic indicator of the entire economic output of the province. It also examined the Arts impact on tourism, full-time employment, economic diversification, and contributions to provincial tax revenue.

The focus of the report is upon the quantification of the economic impacts. When looking at the numbers, it is important to remember that the importance of intellectual and cultural contributions to the province made by the Arts Sector cannot be measured in terms of economics alone.

To capture the Alberta Arts impact, Econometric Research used an economic impact model that considers economic indicators that are specific to Alberta. They then gathered data from **481 Alberta Arts organizations** that received funding from **13 AFA grant programs** in the 2003/2004 fiscal year.

These figures are necessarily conservative, as they do not take into account the contributions of individual artists or of artists not funded by the AFA in 2003/2004. Neither the economic impact of the \$13.5 million Alberta Film Development Program nor of the \$10 million AFA Art collection are assessed by this study.

What did we discover about the Arts and the Alberta economy? The Arts Sector in Alberta spent over **\$120.2 million** on operations and productions. In order to gauge the impact of these expenditures, the DEIM model assigns an economic multiplier of 1.28 to each dollar spent.

The resulting stream of economic benefits includes a permanent increase of **\$153.2 million** to Alberta's Gross Provincial Product and over **3500 full-time jobs**. That \$153.2 million is twelve times the amount (\$13 million) the AFA provided to the Arts Sector in grants in 2003/2004, indicating a significant return on investment in the Arts in the province. The Government of Alberta also collects about \$19.6 million in taxes from the Arts Sector.

This study indicates that the Arts Sector is a significant contributor to the Alberta economy, with benefits that extend beyond the artistic sphere. It is a cornerstone of the cultural infrastructure and the service industry in Alberta, with effects ranging from tourism and accommodations to transportation, education, and agriculture.

Not surprisingly, the Arts Sector generates significant, stable and entertainment-based employment for hundreds of artists, writers, painters, producers, actors, graphic designers, cartographers, editors and photographers located throughout Alberta. These people make up a local talent pool and create a body of work that supports the creative business of the province.

All those who work in the Arts, and all those who participate as audiences, viewers, and listeners, know the value of the arts to their lives. They are entertained and educated, healed and inspired. Though a dollar-value analysis can never capture the full impact of arts activities, it is important for everyone to understand that the Arts are a key contributor to the economy of Alberta.