



The voice of live  
music in Canada  
La voix du spectacle  
musical au Canada

February 9th, 2024

A pre-budget submission from the Canadian Live Music Association (CLMA)

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# CANADA'S LIVE MUSIC SECTOR

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**Growth, Opportunity, and Outcomes:**  
leveraging the economic, social, & cultural impact of  
live music for all Canadians



## About the CLMA

The Canadian Live Music Association (CLMA) represents the stages upon which our artists stand, both indoors and out, and the workers and supply chains that surround them. The CLMA gives a voice to “the people behind live music” working to entrench the economic, social and cultural value of live music, while creating the conditions for concerts to thrive. Our members include venues, concert promoters, regional music festivals, performing arts centres, production crew, and many more workers that complete the industry. In addition to playing a vital role for artists, live music activity helps to build vibrant cities and drive destination development. It creates value in multiple ways including job creation, economic impact, tourism development, and city brand building.

# Economic Impact, Tourism, Artist Development

A thriving live music economy contributes infinite touristic, social, and cultural benefits. But more importantly, live music infrastructure and workers are essential to an artist's ability to grow their careers. Before the Global Pandemic, the live music industry contributed upwards of \$3 billion to Canada's GDP and supported 72,000 jobs. Today more than ever, the industry itself is the lifeblood for our performing artists.

Touring and live performance can represent an estimated 75% or more of an artist's earned revenue. "Performers generate an estimated 75% of their income from live events and touring (compared to less than a third in the 1990's)."<sup>1</sup> However, inflation, a chaotic supply chain, ongoing labour challenges, costs of goods and services and upended consumer buying and attendance patterns are putting the livelihood of artists, venues, and workers across Canada at risk. **Independent venues** and **festivals** especially play a crucial role in the **development of Canadian music**, nurturing local talent, providing a platform for artists to build their careers and develop their music and their performance skills. This is especially true in a post-pandemic world, and even more so for racialized and emerging artists.

While federal funding programs have traditionally emphasized and rewarded recording and other areas of the industry, it's crucial to recognize that these avenues are no longer the exclusive mainstay of many artists' livelihoods. The availability of and access to **touring infrastructure** in Canada is essential for an artists' career development, to share content and to build audiences. Canada's live performance spaces (indoors and out) and companies create highly-specialized, local, regional and national grids for touring artists which enable them (and the myriad of other jobs connected to putting on a concert or festival) to work. The live music ecosystem, including independent live music venues, is indispensable to both local communities and to the broader music industry.

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<sup>1</sup> [2021 Study of the economic impacts of music streaming on the Canadian music industry](#), June 2021



# Economic Impact, Tourism, Artist Development

Live music hubs can also serve as other community gathering spaces be it for social, cultural, educational, or networking purposes or as a place for musicians to rehearse. Live music spaces (and the people behind them) nurture talent, and are paramount for emerging artists to launch a career.

Not only essential for artists, live music as a driver of tourism represents extraordinary and under-realized potential for Canada's economy, and for Canada's tourism industry. For example, in the UK, data from a July 2023 report shows that total music tourism spending in 2022 was £6.6 billion, with a total number of foreign and domestic visitors of 14.4 million. Total employment sustained by music tourism in the UK in 2022 was 56,000. Authors of the report, UK Music, estimate that the £6.6 billion that music tourism supported last year **"could increase significantly by 2030 - with the right support from Government**, local councils and others to spread growth and jobs across the UK."<sup>2</sup> Other countries are also mobilizing, fully recognizing just what benefits of concert activity, from grassroots venues to international tours, can accrue with appropriate policy frameworks.

We urge government to consider the significance and potential of the especially independent live music industry when finalizing the 2024 federal budget. In the context of this changing landscape, it is also important to highlight the significant financial challenges currently faced by many SME's and smaller organizations in the sector. Working in an environment of greatly increased operating costs, including skyrocketing insurance premiums, places a heavy burden on many organizations, threatening the sustainability of their operations. This is compounded by the lingering effects of the pandemic and the ongoing impacts of inflation. By acknowledging the changing dynamics of the music industry and aligning support with the primary income generation mechanism for artists, we can foster a thriving ecosystem that benefits Canadian culture, the industry, and most importantly - the artists themselves. Investment in the live music industry must be a priority.



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<sup>2</sup> [Here, There and Everywhere](#) - July 18th, 2023

To help protect and grow Canada's live music infrastructure the CLMA recommends that the government:

**Increase and make permanent annual contributions to the Canada Music Fund (CMF) to a total of \$60M, earmarking \$10M for live music**

to ensure equitable and more stable funding for the sector and in doing so, recognize, support and better leverage live music activity directly on behalf of artists and workers.



Live music remains significantly underfunded in comparison to other areas of the music industry and culture. Creating a dedicated live stream within the CMF will provide a targeted opportunity for individuals, independent venues, companies and others through direct and meaningful financial assistance.

The CLMA also recommends (below) permanent changes to the Canada Arts Presentation Fund and the Building Communities Through Arts and Heritage programs to concretely address widening gaps and challenges faced by non-profit festivals, venues and performing arts centres. Canada's touring ecology is vulnerable and our artists' ability to forge careers and build audiences hangs in the balance.

**With purposeful, increased and permanent investment, the breadth and depth of Canada's live music sector can help to achieve government priorities on behalf of the broader stakeholder community and all Canadians, for our collective future prosperity.**

# Recommendations

1. Harness the momentum of live music activity, for artists, workers, and for the Canadian and visitor economies: **Increase the Canada Music Fund (CMF) permanently to \$60M; preserve existing programs and earmark \$10M for a new, live music-specific program inside the CMF** to support independent live music venues and promoters to present and help grow the careers of Canadian artists while driving domestic and international tourism and touring through live concert and event activity.



SNOTTY NOSE REZ KIDS-FOTR YELLOWKNIFE BY CARSON ASMUNDSON



FESTIVAL D'ETE DE QUEBEC BY PHILIPPE RUEL

2. Make **permanent** the **supplementary investments of \$8 million per year** in the **Canada Arts Presentation Fund (CAPF)** and **\$7 million per year** in the **Building Communities Through Arts and Heritage (BCAH) program**, first announced in the 2019 budget and extended in the 2021 budget.
3. Invest an additional **\$30 million per year** in these two programs (\$21 million for CAPF and \$9 million for BCAH) to support **the adaptation and growth of the live performance sector** in the post-pandemic era.

# Recommendation 1

With some of the most acclaimed and diverse year-round entertainment assets existing in Canada today, the live music industry has a deep impact, down the street and across the globe. Yet, **businesses** and other **entrepreneurs** in the **live space are not eligible for Canadian Heritage programs**, despite their extraordinary ability to intensify economic impact, both directly and indirectly while highlighting, showcasing and amplifying Canadian culture and identity. Today's funding framework excludes these essential spaces serving Canadian artists, which today especially, seems an obvious gap.

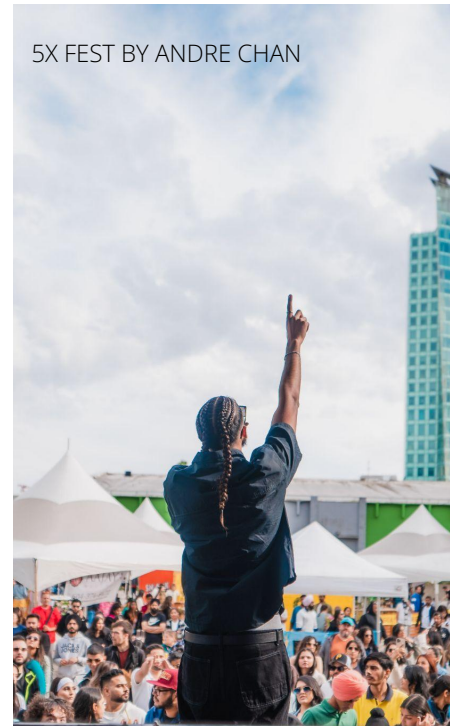
The CLMA has long-called for a dedicated live music program. With emergency pandemic funds having been effectively delivered through FACTOR and Music Action to the sector, we are again recommending that the CMF be increased and include a clearly defined live music stream of \$10M annually.

A further modernized CMF, one that includes investment in live music, is central to the **development of Canadian artists, musicians, and workers** such as live music venues and others. Supporting live music companies through the CMF will also:

- Help to produce and promote a diversity of Canadian music at home and abroad;
- Allow companies to be more competitive at home and abroad;
- Allow companies to better contribute to Canada's creative economy;
- Get people and artists back to work in the industry and keep them there
- Help to reduce barriers to funding for equity-deserving and sovereignty-affirming companies and organizations;
- Improve equity, diversity and inclusion within the sector broadly;
- Increase climate-related action in the sector;
- Support innovative marketing and other partnerships to continue to build consumer confidence and demand.

The program should be designed for independent venues, promoters, **companies** and **organizations seeking to build**, establish and/or amplify live music offerings and/or address other related needs/priorities targeted specifically at directly or indirectly supporting artists and attracting new audiences from diverse markets. The program should align with economic realities while providing increased opportunities for artists to thrive. The program should be designed in consultation with the CLMA and live music community.

5X FEST BY ANDRE CHAN



**Businesses and other entrepreneurs in the live space are not eligible for Canadian Heritage programs, despite their extraordinary ability to intensify economic impact.**



## Recommendations 2 & 3

The Canada Arts Presentation Fund (CAPF) and Building Communities Through Arts and Heritage (BCAH) programs have not received the same attention from the federal government as other funding mechanisms and therefore no longer have the same economic and cultural stimulus effect as intended upon their creation. Their funding envelopes have neither kept up with inflation nor with the growing number of program clients. In spite of the supplementary investments from the 2021 federal budget, beneficiaries of these programs are being supported at a dramatically smaller percentage of their budget today than they initially were when these two programs were originally rolled out.

The live performance sector, especially non-profit festivals and presenters, needs further support to adapt to changing consumer behaviours and to return to a path of economic growth and cultural vitality in the post-pandemic era. With enhanced and stable funding, the domestic touring and presenting sector will be able to plan longer-term and put in place further reaching, more environmentally sustainable and economically viable tours. Moreover, ongoing enhanced support to series presenters and festivals supported by the CAPF will create the capacity for performances year-round. The resulting increases benefit artists, local consumers and tourists and are directly in line with the objectives and outcomes found within the federal government's Tourism Growth Strategy.

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WINNIPEG FOLK FEST BY APRIL CARANDANG



# Live presentation in the domestic market: the weak link in the value chain

Since 2016, the federal government made substantial investments in arts and culture:

- In 2016, the government announced the doubling of the Canada Council for the Arts' budget, from \$182 million per year to \$360 million per year. The investment totalling \$550 million was rolled out between 2016 and 2021.
- In 2017, the government invested \$300 million over 10 years in the Canada Cultural Spaces Fund.
- In 2018, the government invested \$125 million over 5 years to implement the Creative Export Strategy.

Dissemination of the live performing arts in the domestic market however remains a weak link in the federal funding and policy framework. As a matter of fact, key programs supporting organizations that present festivals and performing arts series of performances are at risk of falling back to their 2007 funding levels.

Program	2018-2019 Base Annual Funding	2019 Supplementary Funding	2023 Recommended Increases	Total Annual Funding after increases
Canada Arts Presentation Fund	\$32.5 M	<b>\$8.0 M</b> <i>(sunsets March 2024)</i>	<b>\$21.0 M</b>	\$61.5 M
Building Communities through Arts and Heritage	\$17.7 M	<b>\$7.0 M</b> <i>(extended until March 2026)</i>	<b>\$9.0 M</b>	\$33.7 M
<i>Total</i>	<i>\$50.2 M</i>	<b>\$15 M</b>	<b>\$30 M</b>	<i>\$95.2 M</i>

Total requested amounts: **\$15 million per year + \$30 million per year, ongoing**

We are proposing that the increases be gradually phased in over a three year period.

Should the government proceed with the sunseting of the 2019 supplemental funds, CAPF and BCAH will fall back to levels set in 2007, when the federal government last made permanent investments in these programs.

While the 2019 supplemental funds enabled each program to support new recipients from equity-deserving groups, CAPF and BCAH remain oversubscribed. The number of festivals and presenting organizations supported by CAPF and BCAH increased from 1404 in 2018-2019 to 1574 in 2021-2022 (a 12.1% increase).

# Live Performance Facts

- In 2019, revenues from admissions to live performing arts performances in Canada totaled \$3.8 billion. This represented GST/HST revenues of \$190 million for the federal government alone.<sup>3</sup>
- The Gross Domestic Product of the live performance domain was \$3.3 billion in 2022. As of the first quarter of 2023, live performance real GDP was 5.3 % below its pre-pandemic level.<sup>4</sup>
- The live performance domain provided work for 77,000 Canadians in the first quarter of 2023. This is almost the same number as before the pandemic.<sup>5</sup>
- Performing arts presentation provides several benefits for Canadians and their communities.
  - 95% of Canadians believe that arts experiences are a valuable way of bringing together people from different languages and cultural traditions.<sup>6</sup>
  - Canadians who regularly attend live music<sup>7</sup> and other arts events<sup>8</sup> are more likely to have a stronger sense of belonging to their city or town compared to those who don't attend.
- During the Covid-19 pandemic, when asked what are the top benefits from participating in arts and culture activities, 7 in 10 Canadian culture goers (72,4%) ranked “improve my mental health” among their top three answers.<sup>9</sup>

<sup>3</sup> Statistics Canada, [Table 36-10-0478-01 Supply and use tables, detail level, provincial and territorial \(x 1,000\)](#) via CAPACOA.

<sup>4</sup> Statistics Canada, [Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain](#).

<sup>5</sup> Statistics Canada, [Table 36-10-0452-01 Culture and sport indicators by domain and sub-domain, by province and territory, product perspective](#), via CAPACOA.

<sup>6</sup> Environics Research, [Arts and Heritage Access and Availability survey 2016-2017](#), 2017.

The arts can be a real vector of inclusion for immigrants. Foreign-born Canadians are particularly likely to strongly agree that they are a valuable way of bringing people together (71%, vs 60% among Canadian-born).

<sup>7</sup> Community Foundations of Canada and CAPACOA, [Vital Signs: Arts and Belonging](#), 2017.

<sup>8</sup> A statistically significant correlation between arts engagement and sense of belonging was found in each of the five mid-size Canadian municipalities who participated in the CIW Community Wellbeing Survey. Canadian Index of Wellbeing, cumulative findings of the Community Wellbeing Survey (2012-2014), as reported by CAPACOA in [“New Findings Confirm the Association between Arts and Belonging”](#), October 2017.

<sup>9</sup> Nanos Research, [Arts Response Tracking Study, February 2022 edition](#).





## Moving Forward

Live music and events not only support Canadian culture and identity at home and abroad, they invest in creators and in communities from coast to coast to coast. Working to ensure small- and medium-sized live music businesses and organizations can overcome challenges and capitalize on opportunities will also help to cultivate cultural exports (like artists), and lay a path for Canadian-owned businesses to better compete, innovate, and become leaders in their fields with the goal of increasing opportunities for artists and Canada's brand and demand, globally.

# Moving Forward

Canada’s live music industry is a closely connected ecosystem. SME activity is as intersectional to larger, international success as it is grassroots and community success. The work of our live music industry helps to ensure artists can grow and workers can be employed. Concerts, while extraordinary social and cultural experiences, are also artists selling tickets, and workers working. All “rungs” in the ecosystem (or “venue ladder”) are crucial to the sector’s value proposition and the future success of artists. The CMF supports some of the value chain, but urgently requires new investment and expansion.

Large-scale concert activity is thriving in Canada and around the world, and its potential for impact on tourism is both growing and infinite. A recently released report from Technavio showed that 650 million tickets were sold world-wide in 2023 and estimated that the size of the global live music industry will increase by 6.9% – or \$7.4-billion US dollars – by 2027. 33% of that growth is projected to originate from within North America.<sup>10</sup>

The UK, a leader in the global music economy, saw music tourism spending in 2022 (at a time when many other countries were barely reopened, if at all) increase to \$8.6 billion US dollars.<sup>11</sup>

Today? Music tourism has a compounded annual growth rate of 9%, and by 2033 is projected to have a market value of \$14 billion USD.<sup>12</sup> In order for Canada to benefit, it must address current challenges and barriers to growth faced by especially small/medium sized live music companies and organizations.

A strong 2024 federal budget will recognize, celebrate, and support our remarkable live music industry, enabling it to play a more robust, meaningful role in the cultural, civic, and economic lives of Canadian artists and all Canadians.

<sup>10</sup> [Live Music Market Analysis North America, Europe, APAC, South America, Middle East and Africa - US, Japan, UK, Germany, France - Size and Forecast 2023-2027](#), Technavio, November 2023

<sup>11</sup> [Music Pulls In Over 14 Million Tourists And £6.6 Billion Of Spending As Harry Styles And Dua Lipa Help Attract Fans To The UK](#), July, 2023

<sup>12</sup> [Music tourism gaining ground around the world, likely to reach USD 14 bn by 2033: FMI report](#), September, 2023

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WECC BY MATT DUBOFF-FAOUZIA



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**Canadian artists capture our culture and turn them into stories.**

**Live shows and songs tell those stories and spread them through time and space, across the country and abroad.**

**Through the diverse voices of our artists and creators, we identify as Canadians and show the world what makes us unique.<sup>13</sup>**

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<sup>13</sup> [Government of Canada Investments of \\$70 Million to Support Canada's Artists and Live Music Sector](#)