Music Matters

Industry Profile and Economic Impact Assessment of Saskatchewan's Music Industry

March 2022

for

SASK MUSIC

by

Nordicity

Nordicity

Contents

1. Executive Summary

Music is vital to the social and economic fabric of Saskatchewan. To better understand its contribution, SaskMusic commissioned Nordicity to develop a sector profile and economic impact assessment of Saskatchewan's music industry.

Prior to this study there was limited data available on the state of the Saskatchewan music industry, with the most recent statistical information published in 2008. In the twelve years since, the music industry had evolved at an accelerated pace. In the 2020s, the world looks very different in terms of social, cultural, economic, and environmental outlook.

The forms of music creation, production and consumption have evolved drastically. Music entrepreneurship and self-led music creators have emerged as a driving force, and convergence across artforms, mediums and sectors have caused disruptions – both good and bad. Live music saw continued growth over the past decade, while the recorded music sector was transformed by world-class home recording technologies never made accessible before.

In this time, there has also been a reconfiguring in the roles of labels, publishers, managers and creators and their relationships across the music ecosystem. Physical recording income streams have been decimated, while sync and streaming have ushered in a new era of income streams and business models. These changes have had a profound effect on music businesses and creators alike. Not least of all, the disruption caused by Covid-19 has turned the music industry on its head worldwide. The first global pandemic in a century obliterated the live sector while new opportunities emerged for the recorded music sector. And new ways of working was explored across the sector.

In this context, this study sought to establish a baseline for Saskatchewan's music industry pre-Covid-19 to monitor and evaluate the effect of the pandemic and the sector's recovery over years to come.

This study is a resource for Saskatchewan's music industry practitioners, institutions, and policymakers. It provides an evidence base for decision-making as government and sector stakeholders seek to strategize, invest in, and address industry opportunities and challenges for the next 3-5 years.

The methodology included a combination of primary and secondary research, including desk research and document review, an online survey, an industry roundtable, and economic modelling deploying Nordicity's MyEIA™ Model.

To derive estimates for the total music industry population and extrapolate survey data to the industry population size, the following reference points were examined: Statistics Canada employment data, SaskMusic membership figures, and Nordicity's estimates.

The research categorized the music economy through the lens of a 'core' music industry and a 'wider' music industry, together comprising the 'full' music industry.

Industry Benchmark Profile

Saskatchewan's music industry is characterized by an ecosystem of artists,[1] industry workers, freelancers, music businesses, non-profits and support organizations.

A survey conducted by Nordicity provides an industry profile based on the responses of 317 industry members, and supplemented by partial responses by an additional 350 individuals. While the survey is not representative of the entire music ecosystem in Saskatchewan, it provides a solid benchmark and industry profile to understand the direction of travel for the sector.

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[1] Includes musicians and songwriters.

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The Saskatchewan music economy comprises music creators (artists, musicians and songwriters), freelancers and workers, businesses and not-for-profit organizations operating across the province. While the industry is largely situated around Saskatchewan's two major urban centres, Saskatoon and Regina, many of these serve the breadth of the province.

Artists and Music Creators

- Full-time artists[2] and music creators reported earning an average of $33,300 in 2019 from their music activities.
- 14% of artists earned between $20-50k from music and 6% earned between $50-120k from music. While many artists earned well below the minimum wage from their music, many of these are part-time or hobby artists, or very newly emerging artists who are in the very early stages of developing their career.
- Music income was earned from a variety of activities. The most prominent source of income identified by survey respondents was from live performance and ticketing (31%). This was followed by income from teaching music (14%), arts grants and prizes, and royalties from sales and streaming (8% each), and merch, physical music sales, and publishing and sync licensing (7% each), digital music sales (6%), and airplay royalties (2%).
- Over half (55%) of responding artists' music income in 2019 was earned from live performance and ticketing. The other prominent sources of income for responding artists were from teaching (14%) and merchandise (7%).
- More than half (52%) of artist's music income in 2019 was earned domestically from within the province of Saskatchewan, while more than one-third (34%) was generated as international exports from outside Canada. In 2020, artists reporting a marginal increase in international exports.
- Artists bear a significant amount of costs related to their work in music. These business costs relate to their business activities around performing, rehearsing and traveling for music. The figure below shows the average spend by artists by category. Management fees were the most significant expense reported by responding artists (costing artists an average of $6,030 in 2019) followed by travel, transportation and accommodation costs (costing artists an average of $4,300). The next most significant costs for artists were artist payments, agent costs, recording costs, marketing costs, and instrument and equipment costs.
- Artists reported spending an average of 23.5 hours of a week on all their music-related activities. This included time spent on rehearsals, practice sessions, shows/gigs, and travel. More than a quarter of artists responding to the survey spent upwards of 30 hours of their week on music (26%).
- More than one-third (38%) of responding artists prioritized needing support for venues or places in which to perform. The next most pressing area was financial support for recording and marketing, followed by support for improving discoverability, and financial support for touring and showcasing (also associated with marketing).
- *(SaskMusic notes: As a pandemic impact)* The average music income generated by artists declined by 50% in 2020 according to survey respondents. One-third (33%) of responding artists' total annual income in 2019 came from music. This proportion declined in 2020 to 18% of their total income.

[2] Full time artists are those who spend more than 30 hours a week on music activities.

Music Businesses and Organizations

- The music sector in Saskatchewan is home to a wide variety of businesses and organizations, many of which operate in numerous capacities, serving multiple roles and functions in the sector. Almost one third of responding organizations reported being involved in music instruction (including online teaching) (30%), and another 15% indicated being involved in groups and events.
- Surveyed music businesses and organizations are concentrated in Saskatchewan's two urban centres of Saskatoon (36% of businesses, 36% of not-for-profit organizations, 51% of freelancers), and Regina (44% of businesses, 29% of not-for-profit organizations, 29% of freelancers).
- On average, Saskatchewan's music organizations responding to the survey had been in operation for 22 years. The last decade had seen some growth with 36% of all organizations having been established since 2011.
- On average, music businesses and organizations employed two full-time salaried employees, six part-time salaried employees and 29 contract and freelance workers.
- The average music industry revenue reported by music business in Saskatchewan was $144,700 in 2019. In the same year, music freelancers reported earning an estimated $17,600 from their music activities, and music not-for-profit organizations reported earning an estimated $58,300 from their work in music.
- The most prominent revenue sources cited were *arts grants & prizes* (27%), predominantly for the not-for-profit organizations rather than the music businesses. The next largest revenue source was from *live performance fees & ticket sales* (21%), followed by *fees-for-services* (15%).
- Music businesses responding to the survey reported spending an average of $176,600 in business expenses for their music related activities in 2019, while freelancers reported spending an average of $4,100 and not-for-profits reported spending $7,000.

State of the Music Sector

- The biggest strengths of Saskatchewan's music sector identified by survey respondents was its venues (21% of respondents), followed by the province's associations, funding organizations and support bodies (20%). Festivals (17%) were the third most cited strength, followed by government funding and support (9%), education (8%), and trailed by the province's record studios (2%) and managers and agents (2%).
- While many industry members felt that all areas of music industry development required support and investment, the areas of sector support identified as most important by survey respondents prioritized *local audience development* (32%), *advocacy on behalf of the sector* (18%), and *support for underrepresented groups* (12%) as most pressing for investment. These were followed by support for *international export and marketing access* (8%), networking and sector building (6%), business skills (3%) and disseminating news and information (2%).

Economic Impact of Saskatchewan's Music Industry

- The **total economic impact** of the core Saskatchewan music industry generates 2,020 full-time equivalent (FTE) jobs, $70.4 million in labour income and $76.2 million in GDP per year in 2019. These economic impacts do not include the wider music industry, comprising radio, public music education, and music tourism – however we do provide estimates for music tourism separately.

- The **total fiscal tax impact** of Saskatchewan music generates $22.1 million in taxes, including $15.7 million in personal income taxes, $312 thousand in corporation taxes, $4.3 million in consumption taxes and $1.8m in local property taxes and other fees per year in 2019.
- Music is a major contributor to tourism worldwide, and is an important part of the wider music ecosystem. Nordicity estimates of Saskatchewan's music tourism impact indicate $39.9 million in tourism spending in 2019. The estimated **total economic impact music tourism** in Saskatchewan generated 440 full-time equivalent (FTE) jobs, $16.9 million in labour income and $31.6 million in GDP in 2019.

2. Introduction, Context and Background

Music is vital to the social and economic fabric of Saskatchewan. To better understand its contribution, SaskMusic commissioned Nordicity to develop a sector profile and economic impact assessment of Saskatchewan's music industry.

Prior to this study there was limited data available on the state of the Saskatchewan music industry, with the most recent statistical information published in 2008. In the twelve years since, the music industry had evolved at an accelerated pace, In the 2020s, the world looks very different in terms of social, cultural, economic, and environmental outlook.

The forms of music creation, production and consumption have evolved drastically. Music entrepreneurship and self-led music creators have emerged as a driving force, and convergence across artforms, mediums and sectors have caused disruptions – both good and bad. Live music saw continued growing over the past decade while the recorded music sector was transformed by world-class home recording technologies never made accessible before.

In this time, there has also been a reconfiguring in the roles of labels, publishers, managers and creators and their relationships across the music ecosystem. Physical recording income streams have been decimated, while sync and streaming have ushered in a new era of income streams and business models. These changes have had a profound effect on music businesses and creators alike. Not least of all, the disruption caused by Covid-19 has turned the music industry on its head worldwide. The first global pandemic in a century obliterated the live sector while new opportunities emerged for the recorded music sector. And new ways of working was explored across the sector.

In this context, this study sought to establish a baseline for Saskatchewan's music industry pre-Covid-19 to monitor and evaluate the effect of the pandemic and the sector's recovery over years to come.

This study is a resource for Saskatchewan's music industry practitioners, institutions, and policymakers. It provides an evidence base for decision-making as government and sector stakeholders seek to strategize, invest in, and address industry opportunities and challenges for the next 3-5 years.

3. Methodology

The methodology comprised primary and secondary research including data collection through a survey, industry roundtable, interviews, data requests, culminating in a province-wide sector mapping (sector profile). Data from the mapping (sector profile) was run through Nordicity's MyEIA Model™ to derive the direct, indirect and induced economic impacts, and the fiscal impact on a provincial and national level.

Survey

An online survey was designed and distributed to music stakeholders across Saskatchewan in spring 2021. A total of 670 stakeholders provided some survey data, with 317 stakeholders completing the entire survey. Of the complete responses,[3] 202 were from music artists and creators, 21 were from music businesses, 74 from music freelancers, 54 from music non-profit organizations and 63 from music industry workers.[4]

Industry Roundtable

An industry roundtable was held with over 30 industry stakeholders in spring 2021. The roundtable provided important inputs into the economic impact modelling and explored themes around scoping of the sector, industry challenges and opportunities.

Sector Mapping / Profile

Sector mapping was conducted to develop an industry profile. Combining data from SaskMusic's membership, Nordicity's survey responses and Nordicity's research of music sector stakeholders and activities in Saskatchewan, a 'snowball' approach to mapping was applied, obtaining further suggested music sector stakeholders through ongoing industry consultations.

To derive reliable estimates for Saskatchewan's music industry, Nordicity deployed a 'bottom-up' approach as standard for many cultural and creative industries globally. Reliable estimates are derived by extrapolating (or 'grossing up') existing sample data to the known population size using real industry knowledge of how companies and artist entrepreneurs are operating supported by primary data, and in real time.

To derive estimates for the total population of the music industry ('N') using survey data, a multiplier was applied to responses within the sample size/count ('n'). Responses were examined and weightings were applied based on representativeness of respondents.

To derive estimates for the total music industry population and extrapolate survey data to the industry population size, the following reference points were examined: Statistics Canada employment data, SaskMusic membership figures, and Nordicity's estimates.

Nordicity deployed the definition we derived in the Canadian Independent Music Association's *Sound Analysis* study to reliably analyze and assess the Saskatchewan music industry, expanding upon it in order to map out the 'full' music industry value chain for the province. The definition included a 'core'

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[3] Respondents were allowed to choose multiple roles and hence the sum of respondents of each type exceeds the total number of respondents.

[4] Music businesses comprised of SMEs, micro-enterprises and freelancers and did not include any major corporate or multinational organisations.

music industry and an additional 'wider' music industry, both of which together constituted the 'full' music industry.

- The 'core' music industry comprises music artists and creators, music businesses and professionals, and music organizations.
- The 'wider' music industry comprises music tourism, radio broadcasting, music retail, and musical instruments and equipment.
- The 'full' music industry includes both the core industry and the wider industry.

Economic Impact Analysis

The economic and fiscal impacts were developed through Nordicity's economic impact methodology using the data collected through the survey and industry database, desk research, industry roundtable and interviews, and derived using Nordicity's MyEIA Model™.

The economic impact analysis drew upon the data compiled for the industry profile and used the input-output (I-O) tables maintained by Statistics Canada to generate estimates of the music industry's impact on the economy.

For analysing the direct impact, Nordicity converted the data from the survey and secondary sources for revenues and operating expenditures into estimates of GDP, wages, income, employment and tax revenues for the federal and provincial governments. The estimates of labour expenditures and operating surplus were summed to arrive at an estimate of the direct GDP generated by the music industry.

For analysing the indirect impact, estimates were derived for the music industry procurement of supplies from other industries (all non-labour expenditures) and the portion of those expenditures that remained in province. After determining the amount of non-labour expenditures that stay within the province, Nordicity used Statistics Canada's I-O tables to derive indirect impact estimates of GDP, labour income and employment on the provincial economy.

To estimate the induced impact, data shocks were run through Nordicity's MyEIA Model™ which uses provincial I-O tables in its modelling.

The total economic impact was calculated by summing the direct, indirect and induced economic impacts. Based on these estimates of economic impacts, Nordicity derived estimates of the total impacts that each activity has on GDP, labour income and employment in the province.

The fiscal impact was derived by running data shocks through Nordicity's MyEIA Model™, generating estimates of the taxes (both federal and provincial) generated by the music industry. The fiscal impact model is based on average effective tax rates for personal income, corporate, consumption (i.e. sales), and property taxes. The effective tax rates were derived from data published by Statistics Canada and applied to the labour income and GDP estimates at each stage of the economic impact modelling (i.e. direct, indirect and induced) to generate estimates of government tax revenue.

To estimate the breadth of Saskatchewan's music industry, Nordicity combined data from SaskMusic's membership numbers, industry and business datasets, and Industry Canada Business Statistics for the following wider music-related industries:

- Music retailers
- Music instrument manufacturers
- Radio stations
- Music teachers (independent)

Synthesising with the Provincial Territorial Culture Satellite Account (PTCSA)

Nordicity's estimates were reviewed alongside the Provincial Territorial Culture Satellite Account (PTCSA) as a general economic overview of cultural activities across Canada's provinces and territories. The PTCSA draws on data from multiple sources, including the System of National Accounts and Statistics Canada, among others, to provide measures of output, GDP and employment for the cultural sector in general, and each domain and sub-domain in particular.

Due to data limitations and suppression, the PTCSA does not adequately report the above measures for the music industry in Saskatchewan. The industrial and product classifications are typically unsuitable to disaggregate for the music industry.[5] Furthermore, the Canadian Framework for Culture Statistics (CFCS), on which the PTCSA is based, separates Music Publishing and Sound Recording (both of which comprise the Sound Recording domain) from live music performance. The latter is classified under the Live Performance domain, along with the performing arts and other festivals and celebrations. As such, the PTCSA is inherently limited in their ability to capture the total economic activity of the music industry.

[5] The North American Industry Classification System (NAICS) and Occupational Classification (NOC-S) codes in their current form do not adequately represent the activities and occupations in music sector.

4. Industry Benchmark Profile

Saskatchewan's music industry is characterized by an ecosystem of artists,[6] industry workers, freelancers, music businesses, non-profits and support organizations.

A survey conducted by Nordicity provides an industry profile based on the responses of 317 industry members, and supplemented by partial responses by an additional 350 individuals. While the survey is not representative of the entire music ecosystem in Saskatchewan, it provides a solid benchmark and industry profile to understand the direction of travel for the sector. Benchmarking the sector in terms of location, genre and financial information provides insight into the workings of the sector at the turn of the decade, and as a baseline providing an understanding of the sector prior to and at the onset of the Covid-19 pandemic.

4.1 Overview of Saskatchewan's Music Sector

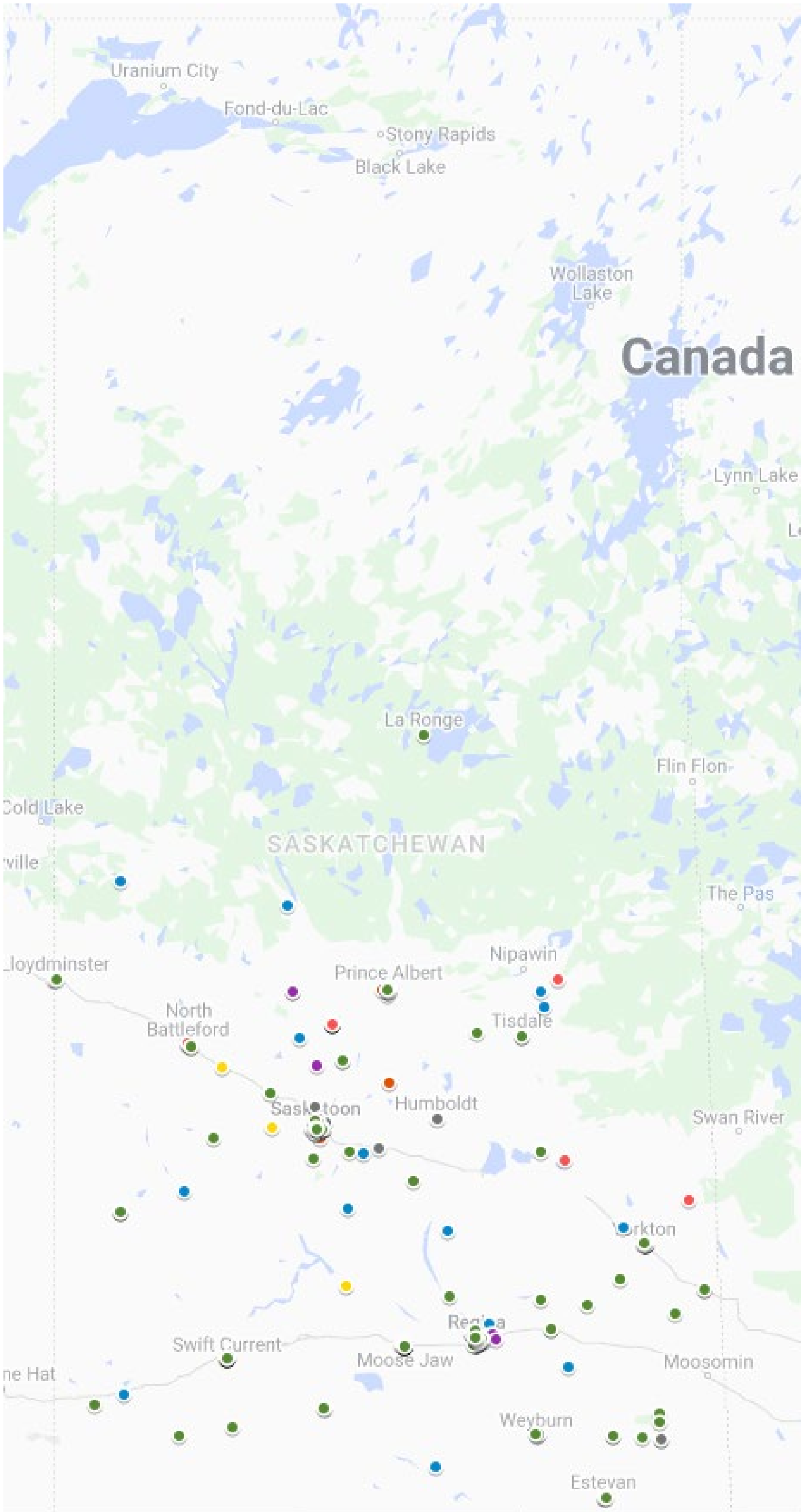
The Saskatchewan music economy comprises music creators (artists, musicians and songwriters), freelancers and workers, businesses and not-for-profit organizations operating across the province. While the industry is largely situated around Saskatchewan's two major urban centres, Saskatoon and Regina (figure below), many of these serve the breadth of the province.

A 'living map' of the music businesses, organizations and infrastructure was generated based on Nordicity's research. As a living map, it provides a baseline from which we encourage music stakeholders to continue updating, editing and adding to it. As such, this map is in no way exhaustive or fully representative of all the people and organizations involved in Saskatchewan's music ecosystem, and is intended to provide an overview of the general industry from which to build upon.

The editable map is accessible for updating here:
https://www.google.com/maps/d/edit?mid=15n8i0AbyBAcjk-aldcQF7PJ6d3NdMtdZ&usp=sharing

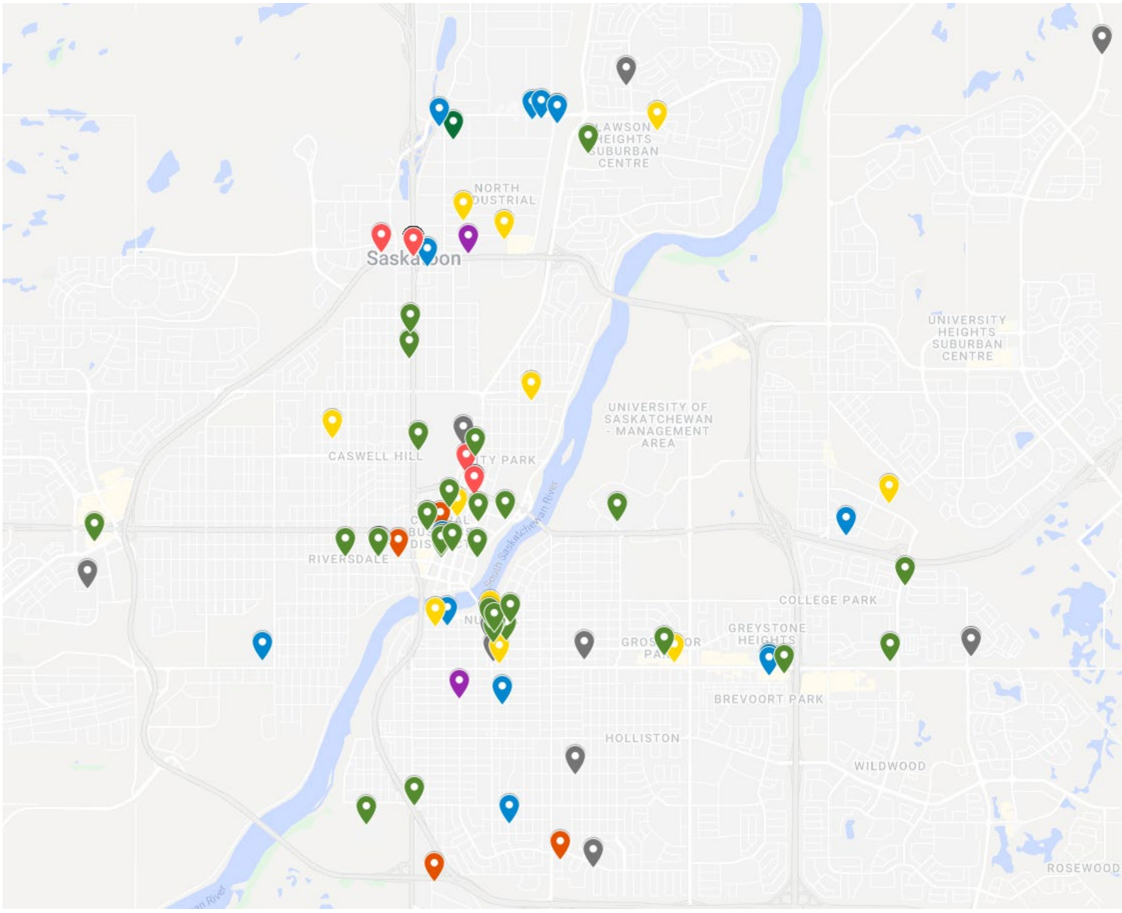
[6] Includes musicians and songwriters.

Figure 1: Saskatchewan Living Music Map (Province Wide)



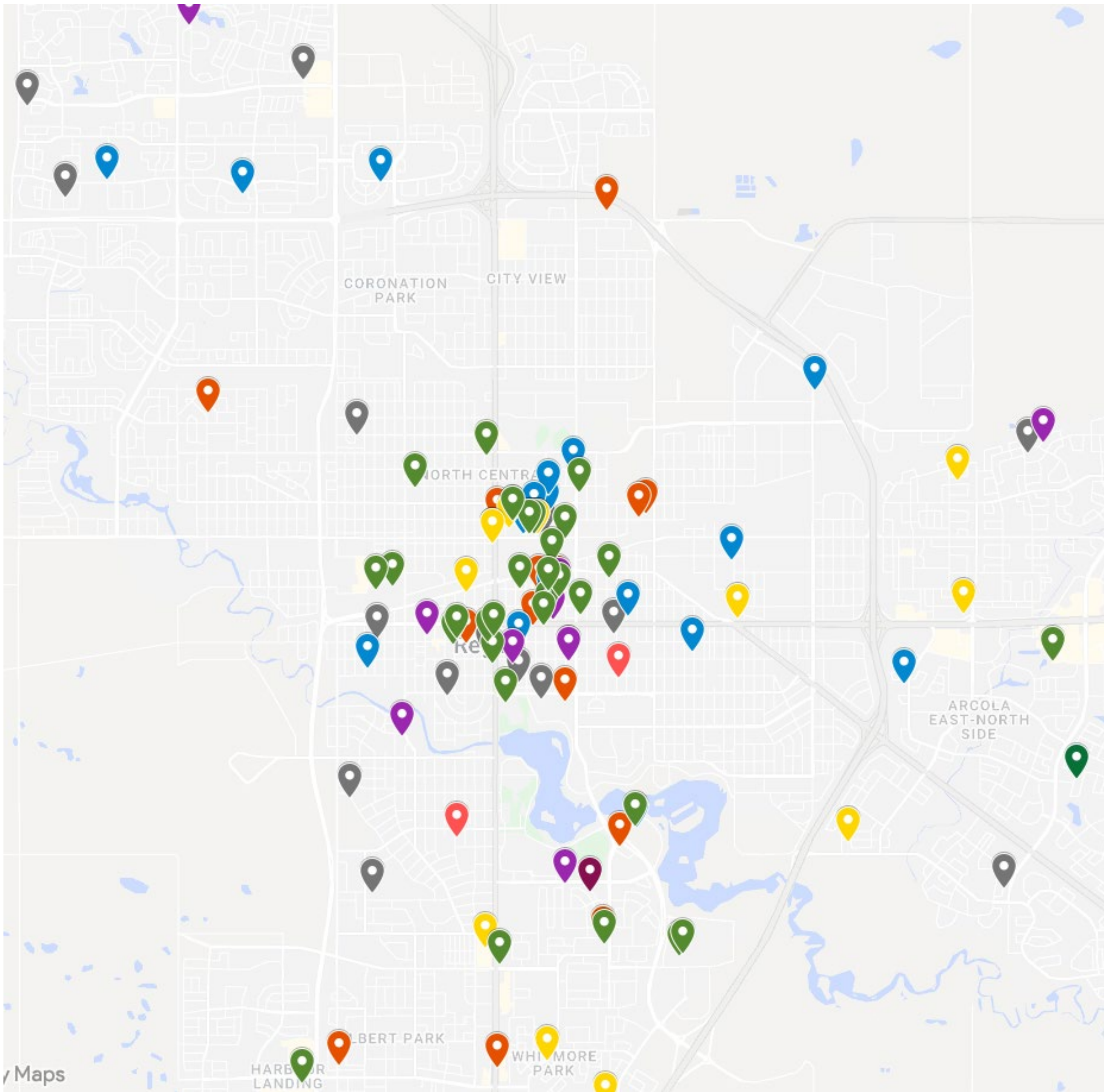
Source: Nordicity and SaskMusic

Figure 2: Saskatoon Living Music Map



Source: Nordicity and SaskMusic

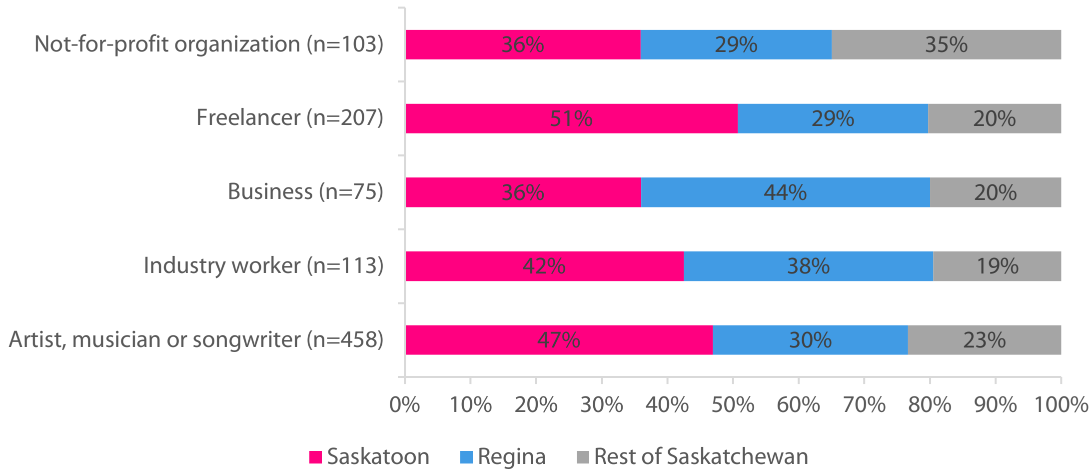
Figure 3: Regina Living Music Map



Source: Nordicity and SaskMusic

Approx. four in five industry stakeholders are either located in two major cities of Saskatoon and Regina, with the exception for not-for-profit organizations where 35% operate in the rest of Saskatchewan. The capital city, Regina, is home to 44% of responding music businesses.

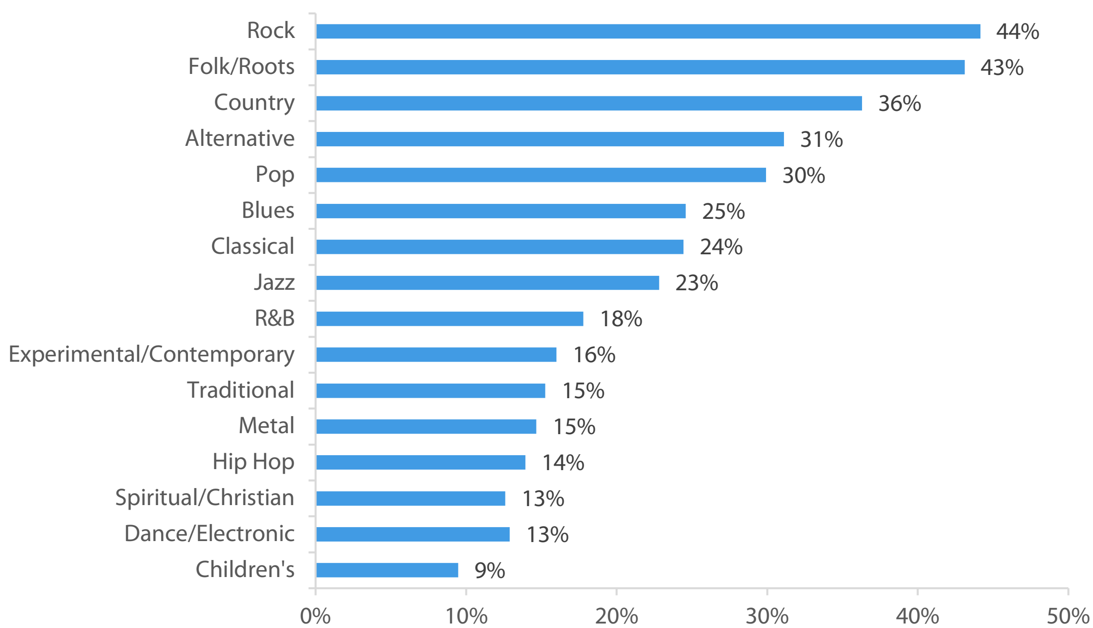
Figure 4: Location of music industry stakeholders (% of respondents by type)



Source: Music Matters Survey conducted by Nordicity, 2021

The most common musical genres cited by music artists and businesses responding to the survey were rock (44%), folk/roots (43%), and country (36%). These were followed closely by alternative (31%), pop (30%) and blues (25%), and then classical (24%), jazz (23%) and R&B (18%). At the lower end of the genres reported were experimental/contemporary (16%), traditional (15%), metal (15%), hip hop (14%), spiritual/Christian (13%), dance/electronic (13%) and children's (9%).

Figure 5: Musical genres respondents work in (multiple responses allowed, % of respondents)

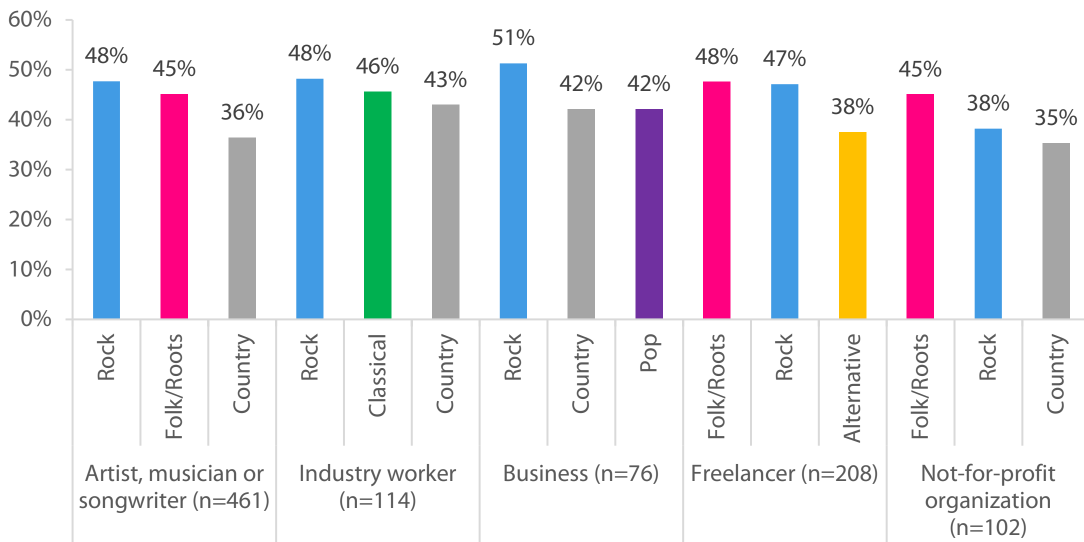


n = 675
Source: Music Matters Survey conducted by Nordicity, 2021

The top three genres cited by survey respondents varied by their roles in the music sector. While rock, folk/roots and country remained the most common genres worked in, classical music was prominent among responding industry workers, and pop music was prominent among responding music businesses, as illustrated in the figure below. Meanwhile, classical music was a big employer, often due to the size of orchestras which can employ more than 100 musicians and numerous staff at a time.

Rock as a genre appeared in the top three genres of all respondent types, pop music was the third most popular genre for music businesses (42%), and alternative music was the third most popular genre for music freelancers (38%).

Figure 6: Top 3 genres by respondent type (% of respondents by type)

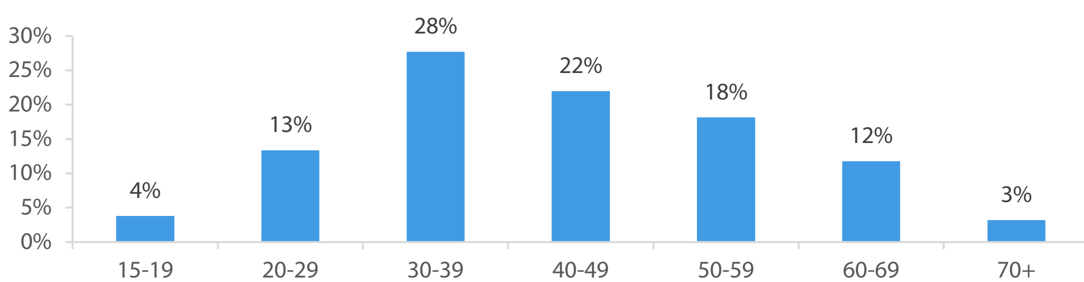


Source: Music Matters Survey conducted by Nordicity, 2021

Demographic Profile of the Industry

The average age of Saskatchewan music industry stakeholders responding to the survey was 44 years old. Approx. 17% of respondents were under the age of 30, while 28% were in their 30s, 22% in their 40s, 18% in their 50s and 15% over the age of 60. The complete age distribution is shown in the figure below.

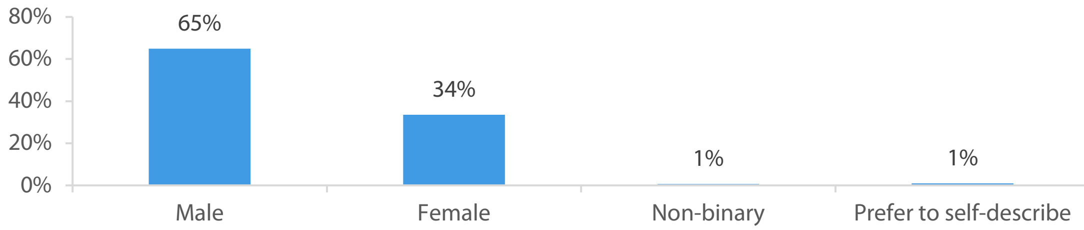
Figure 7: Age distribution of industry stakeholders (self-identified)



n=314
Source: Music Matters Survey conducted by Nordicity, 2021

A majority of industry members responding to the survey identified as male (65%), 34% as female, 1% as non-binary, and 1% preferred to self-describe their gender.

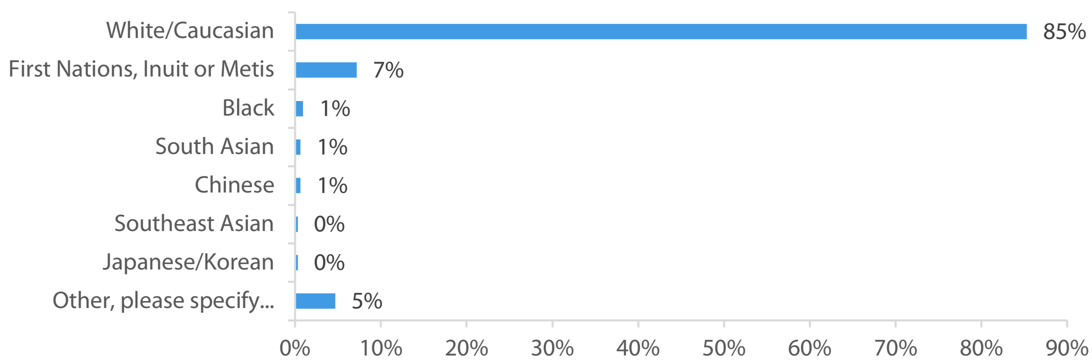
Figure 8: Gender identity of music industry stakeholders in Saskatchewan (self-identified)



n = 313
Source: Music Matters Survey conducted by Nordicity, 2021

The vast majority of industry members responding to the survey identified as white/Caucasian (85%), followed by Indigenous (First Nations, Inuit or Metis 7%). Approx. 5% identified as other ethnicities, and 1% identified as Black, South Asian, and Chinese each.

Figure 9: Ethnicity of music industry stakeholders in Saskatchewan (self-identified)



n = 320
Source: Music Matters Survey conducted by Nordicity, 2021

Respondents were asked to select all languages they worked in. Virtually all respondents (99%) indicated they worked in English as one language, followed by 9% selecting French, and 1% working in Indigenous languages (Cree and Inuktitut). A total of 3% of respondents indicated using other languages (Spanish, Portuguese, German, Italian, Ukrainian, Hebrew and Gujarati and Hindi).

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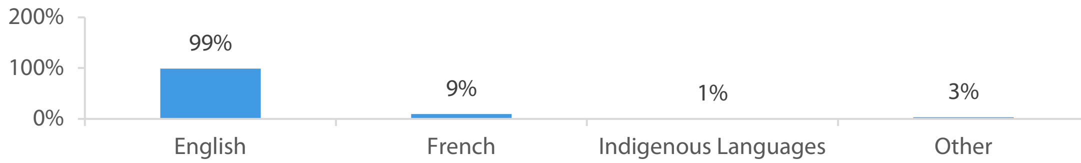
Figure 10: Languages used by music industry stakeholders in Saskatchewan for work (self-identified, all that apply)

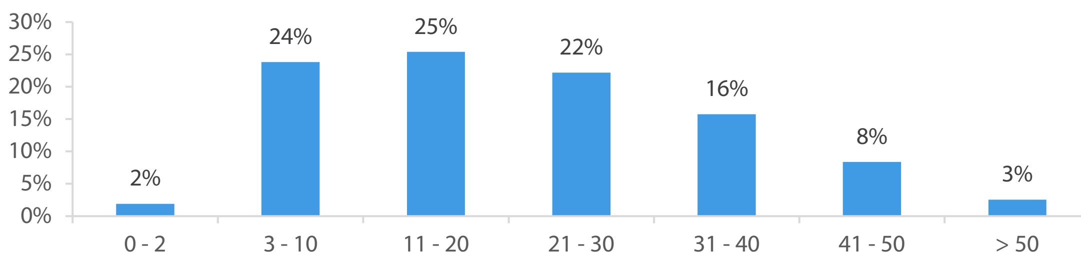


n = 320
Source: Music Matters Survey conducted by Nordicity, 2021

Industry members were asked in the survey indicate whether they identified as living with a disability. A total of 6% of respondents identified as living with a disability.

In terms of experience, survey respondents reported having an average of 22 years experience working in the music industry. A small percentage (2%) reported having entered the music industry within the last two years, while approximately one quarter had entered between 3-10 years ago (24%). Another quarter of respondents reported entering the music sector between 11 and 20 years ago (25%), while nearly another quarter reported entering between 21-30 years ago (22%), and just over a quarter reported having started more than 30 years ago (27%).

Figure 11: Number of years experience working in the Music Industry (music artists and creators, self-identified)



n = 311
Source: Music Matters Survey conducted by Nordicity, 2021

4.2 Artists and Music Creators

Artists and music creators comprised 64% of the total survey respondents. Of these, almost half (47%) of the responding artists or music creators were located in the Saskatoon region, and nearly a third in the Regina region, as illustrated in the figure below.

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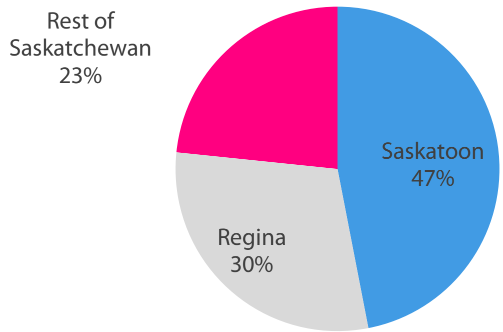
Figure 12: Where artists are located in Saskatchewan (% of artists, musicians or songwriters)

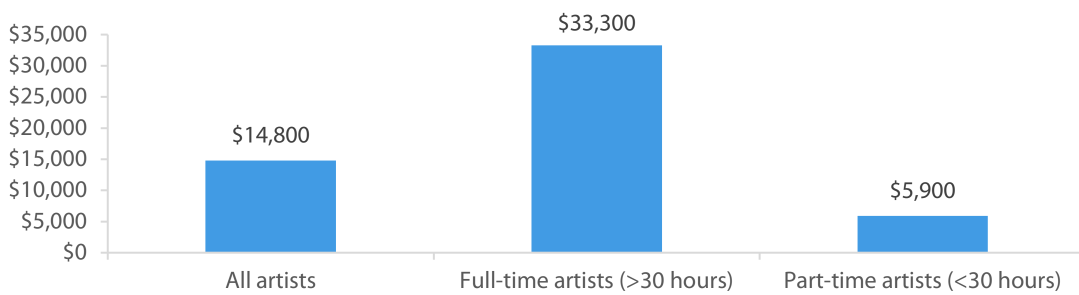


n = 458
Source: Music Matters Survey conducted by Nordicity, 2021

Artist Income

Full-time artists[7] and music creators reported earning an average of $33,300 in 2019 from music their activities. When expanded to include both part-time and full-time artists, and both music income and non-music income, the average total income reported by artists responding to the survey was $44,000 in 2019[8].

Figure 13: Average music income reported by artists, musicians or songwriters[9]



n = 322
Source: Music Matters Survey conducted by Nordicity, 2021

While earning a livelihood fully from music is a goal for countless artists and music creators, and one which is realized by many, the reality for a great deal of artists is that only a small portion of their annual income is derived from music. Indeed, some do not generate any monetary compensation from music at all. Many of these artists are part-time or casual music creators, and when they are combined with full-time artists, music activities account for just over one third (34%) of their total annual income.

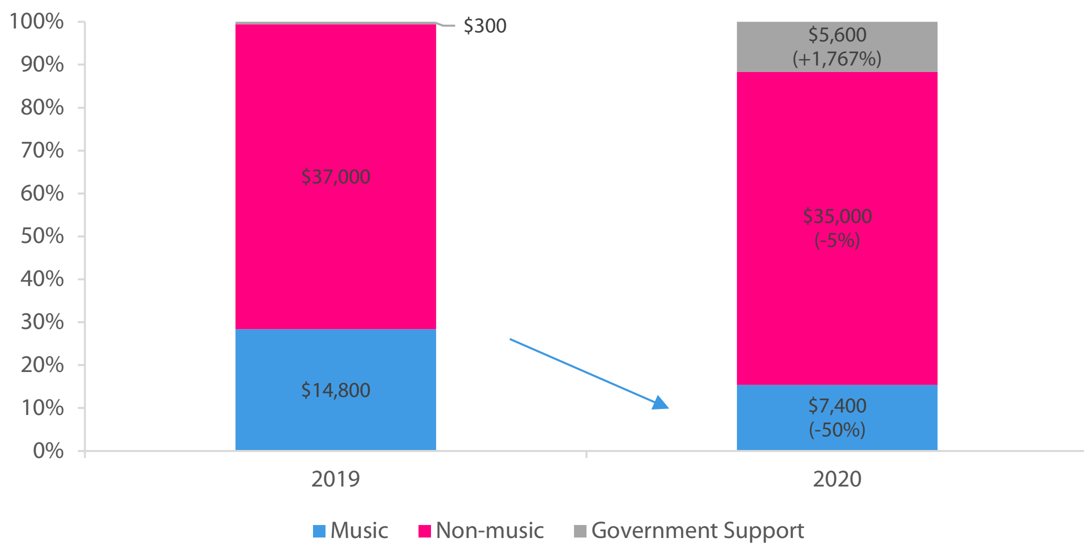
[7] Full time artists are those who spend more than 30 hours a week on music activities.

[8] Income from music activities and non-music activities comprises their total annual revenue from all sources and sectors, and includes government support in the form of funds and grants.

[9] Averages exclude outliers.

Given the very different types of music artists and creators, an average of the income from all artists provides a blunt figure that does not adequately represent the nuanced breakdown of music industry revenues; in this case, the average total music industry revenues from all part-time and full-time artists and creators was $14,800 in 2019 – but we caution the use of this figure on its own and without the context of the various types of artists and their differing aspirations and degrees of time spent on their music work.

Figure 14: Average income earned by source (artists, musicians and songwriters) in 2019 and 2020

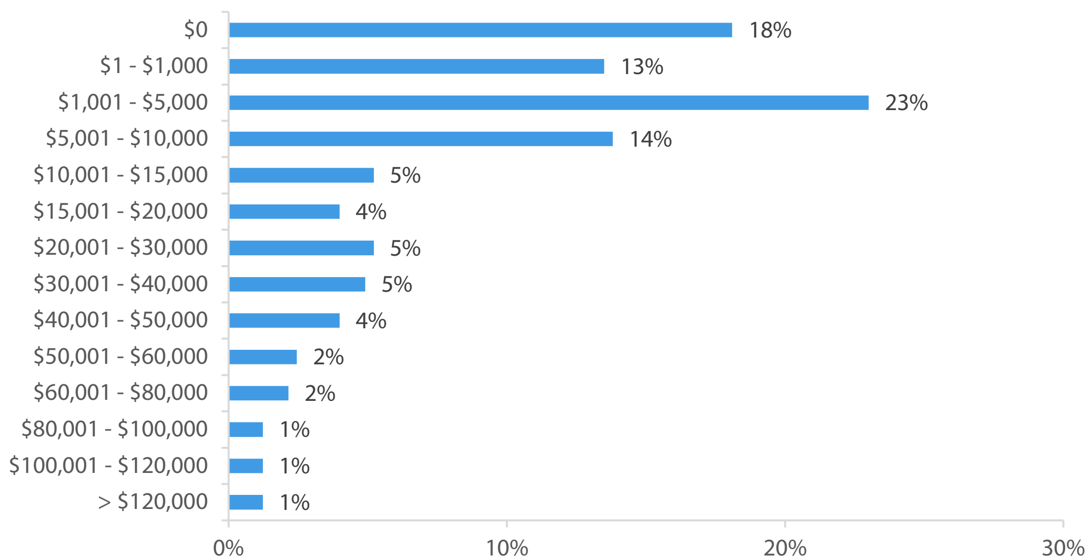


n = 322

Source: Music Matters Survey conducted by Nordicity, 2021. Note: 'Government Support' includes federal COVID-19 support such as CERB, and is not limited to music industry support.

A breakdown of the income earned by music artists provides a more nuanced picture of the music industry income as a whole. As the figure below shows, 14% of artists earned between $20-50k from music and 6% earned between $50-120k from music. While many artists earned well below the minimum wage from their music, many of these are part-time or hobby artists, or very newly emerging artists who are in the very early stages of developing their career. This includes many of the 18% of respondents who reported earning nothing from music, 13% earning less than $1,000, 23% earning between $1-5k, and 14% earning between $5-10k from music in 2019.

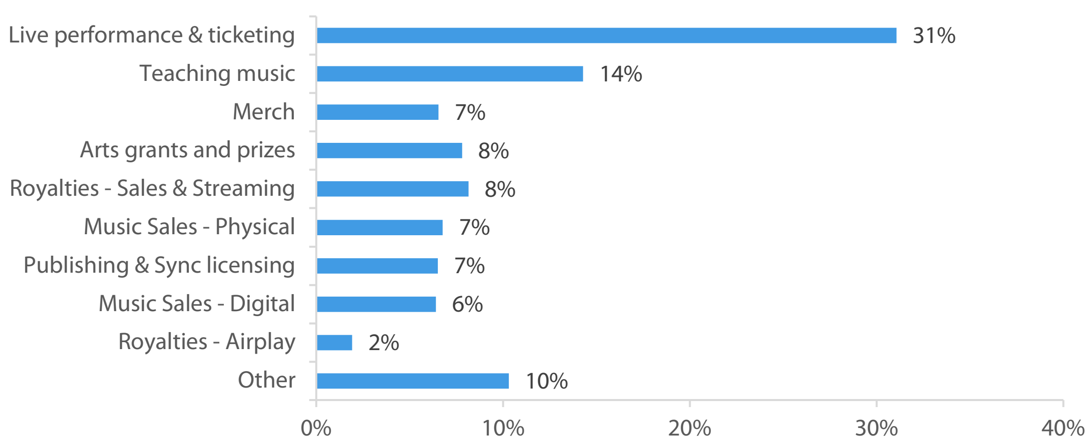
Figure 15: Breakdown of music income earned by artists, musicians or songwriters in 2019 (% of artists)



n = 322
Source: Music Matters Survey conducted by Nordicity, 2021

Music income was earned from a variety of activities. The most prominent source of income identified by survey respondents was from live performance and ticketing (31%). This was followed by income from teaching music (14%), arts grants and prizes, and royalties from sales and streaming (8% each), and merch, physical music sales, and publishing and sync licensing (7% each), digital music sales (6%), and airplay royalties (2%). 10% of reported income came from other sources.

Figure 16: Breakdown of music income by source reported by artists, musicians or songwriters

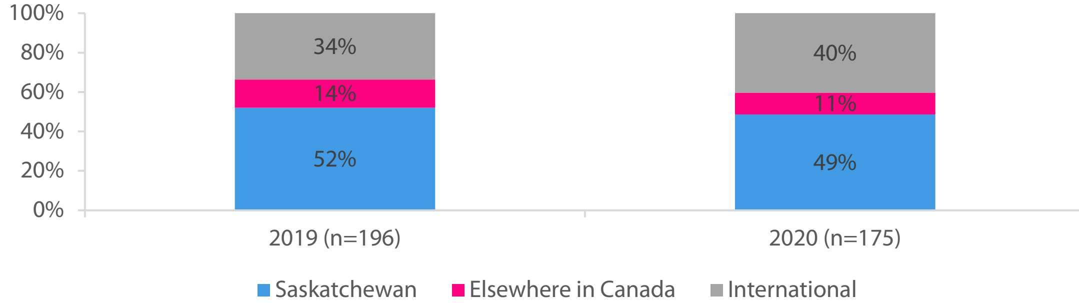


Source: Music Matters Survey conducted by Nordicity, 2021

Over half (55%) of responding artists' music income in 2019 was earned from live performance and ticketing. The other prominent sources of income for responding artists were from teaching (14%) and merchandise (7%).

More than half (52%) of artist's music income in 2019 was earned domestically from within the province of Saskatchewan, while more than one-third (34%) was generated as international exports from outside Canada. In 2020, artists reporting a marginal increase in international exports.

Figure 17: Breakdown of music income earned by geography (% of artists, musicians or songwriters)

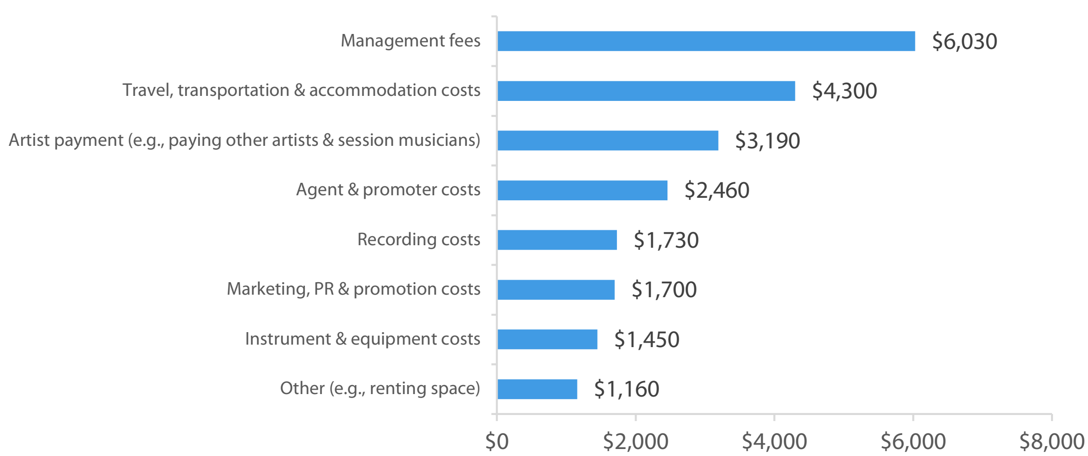


Source: Music Matters Survey conducted by Nordicity, 2021

Artist Expenses

Artists bear a significant amount of costs related to their work in music. These business costs relate to their business activities around performing, rehearsing and traveling for music. The figure below shows the average spend by artists by category. Management fees were the most significant expense reported by responding artists (costing artists an average of $6,030 in 2019) followed by travel, transportation and accommodation costs (costing artists an average of $4,300). The next most significant costs for artists were artist payments, agent costs, recording costs, marketing costs, and instrument and equipment costs.

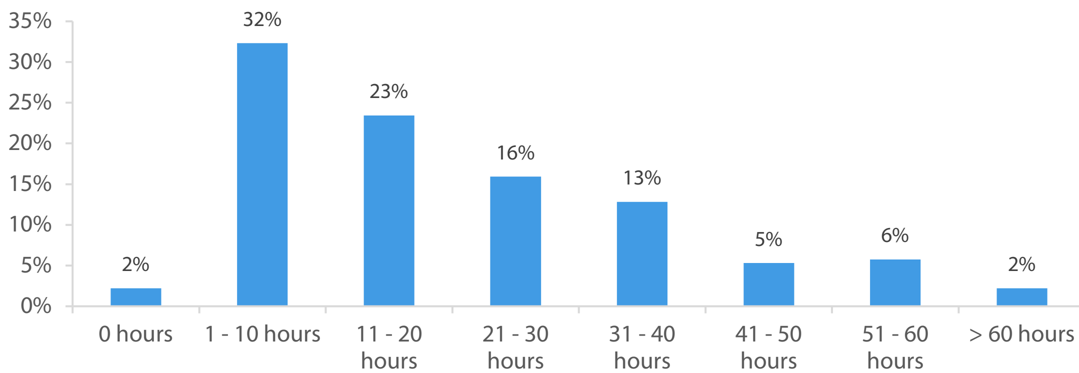
Figure 18: Average music expense by category incurred by artists in 2019



n = 168
Source: Music Matters Survey conducted by Nordicity, 2021

Artists reported spending an average of 23.5 hours of a week on all their music-related activities. This included time spent on rehearsals, practice sessions, shows/gigs, and travel. More than a quarter of artists responding to the survey spent upwards of 30 hours of their week on music (26%).

Figure 19: Weekly hours spent on music (% of artists)

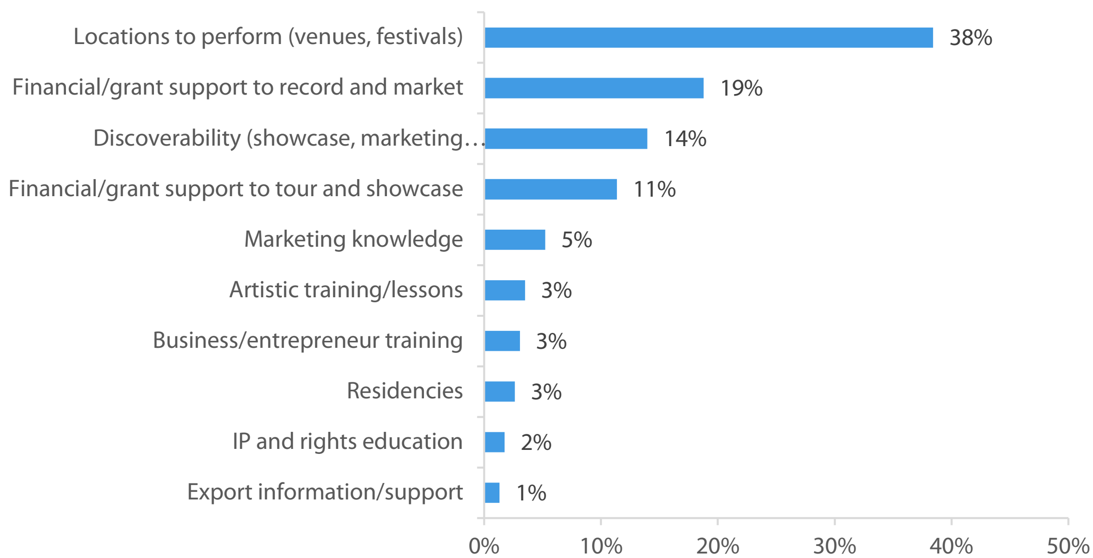


n = 226
Source: Music Matters Survey conducted by Nordicity, 2021

Artist Priorities for Sector Support

Artists were surveyed to indicate in which area of the music sector in Saskatchewan they needed the most support. More than one-third (38%) of responding artists prioritized needing support for venues or places in which to perform. The next most pressing area was financial support for recording and marketing, followed by support for improving discoverability, and financial support for touring and showcasing (also associated with marketing).

Figure 20: Areas of support identified by artists as most needed (multiple responses allowed, % of artists)

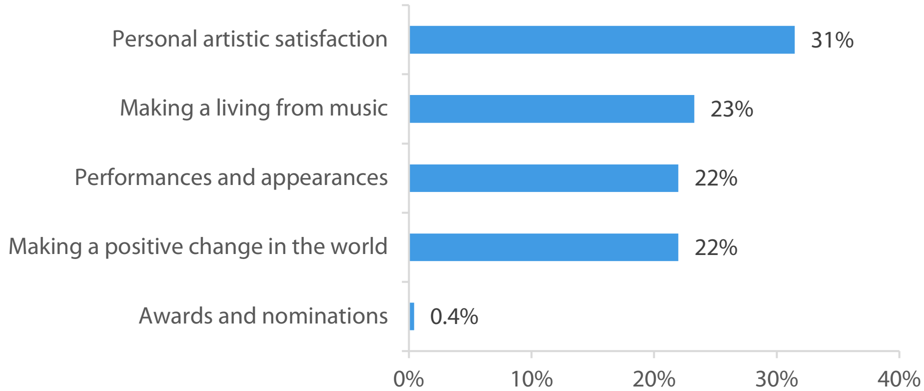


n = 229
Source: Music Matters Survey conducted by Nordicity, 2021

Ambitions, Motivations and Career Success for Artists

There are as many motivations for working in music as there are artists and workers, ranging from sharing self-expression to achieving commercial success. While the most prominent motivator for artists responding to the survey was their own personal artistic satisfaction (31%), nearly a quarter sought to earn their livelihood from music (23%). Over one-fifth of artists worked in music for the opportunity to do public performances and appearances (22%), and another one-fifth sought to make a positive change in the world (22%). A very small number of respondents were motivated by winning awards (0.4%) and earning revenue from music (1%).

Figure 21: The primary motivator for artists to work in music (% of artists)



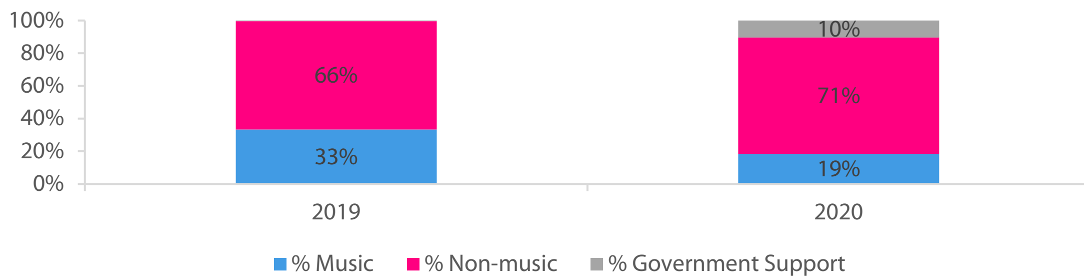
n = 233
Source: Music Matters Survey conducted by Nordicity, 2021. Figures may not sum to 100% due to rounding.

4.3 Artist Impact of the Covid-19 Pandemic in 2020

The average music income generated by artists declined by 50% in 2020 according to survey respondents. When factoring both the non-music income alongside the music income earned by artists, the average total artist income from all sources declined by 10% in 2020.

One-third (33%) of responding artists' total annual income in 2019 came from music. This proportion declined in 2020 to 18% of their total income, as illustrated in the figure below.

Figure 22: Breakdown of total income earned by artists, musicians or songwriters (solo or part of band/collective/group) (% of total income)

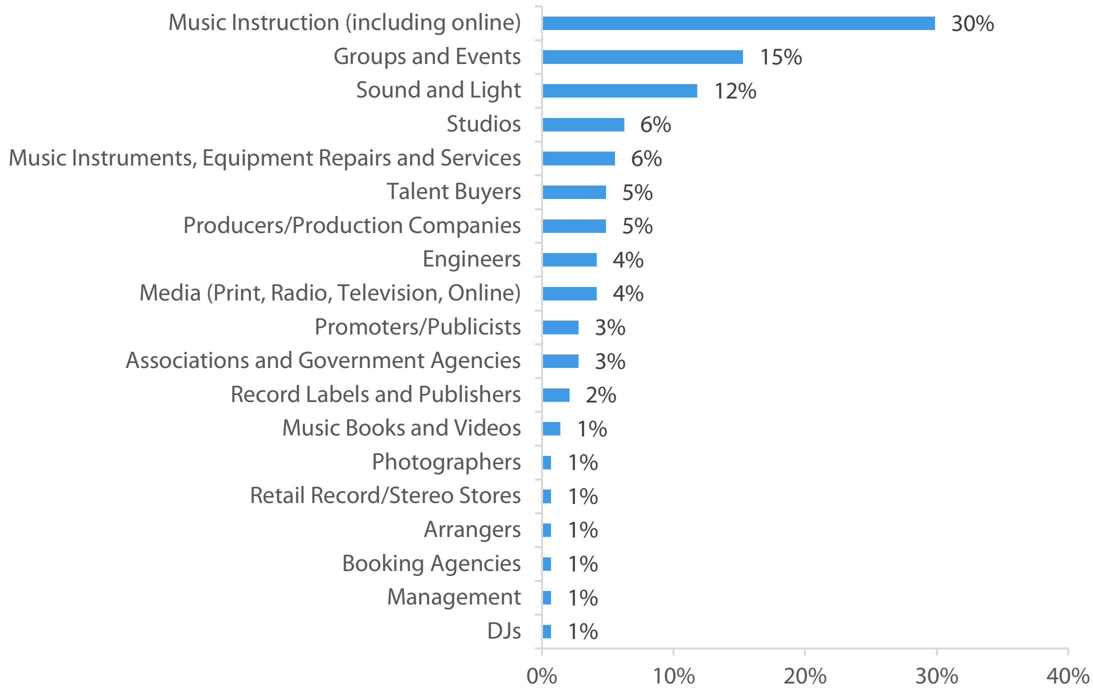


n = 322
Source: Music Matters Survey conducted by Nordicity, 2021

4.4 Music Businesses and Organizations

The music sector in Saskatchewan is home to a wide variety of businesses and organizations, many of which operate in numerous capacities, serving multiple roles and functions in the sector. To understand the sector more clearly, music businesses and organizations responding to the survey were asked to identify their primary role in the industry. Almost one third of responding organizations reported being involved in music instruction (including online teaching) (30%), and another 15% indicated being involved in groups and events.

Figure 23: Primary role in the industry, as reported by music organizations[10]

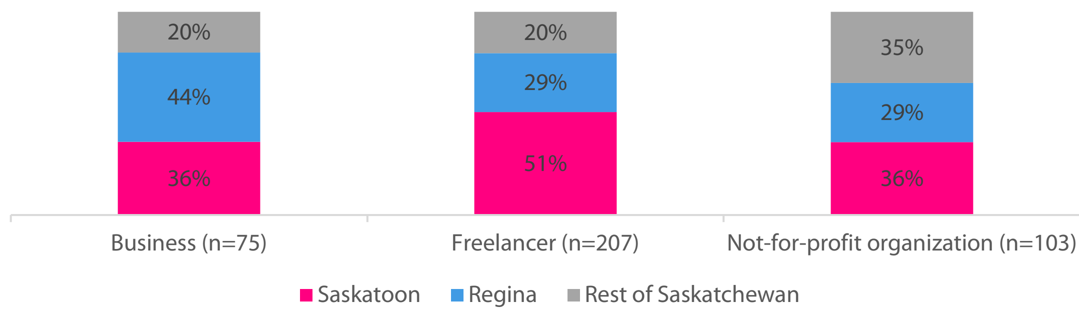


n = 144
Source: Music Matters Survey conducted by Nordicity, 2021

These music businesses and organizations are concentrated in Saskatchewan's two urban centres of Saskatoon (36% of businesses, 36% of not-for-profit organizations, 51% of freelancers), and Regina (44% of businesses, 29% of not-for-profit organizations, 29% of freelancers) as seen in the figure below. Meanwhile, 35% of responding not-for-profit organizations, 20% of businesses and more than half (51%) of freelancers were located in other parts of Saskatchewan.

[10] Organizations include music businesses, freelancers and non-profit organizations

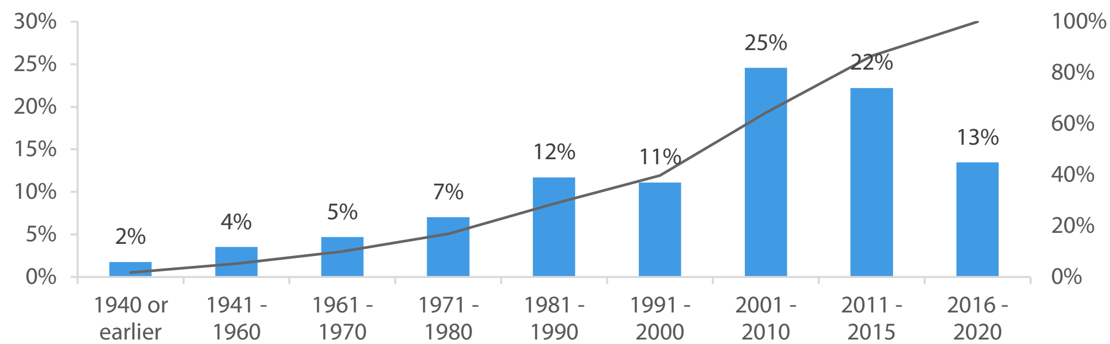
Figure 24: Location of music organizations in Saskatchewan (% of organizations by type)



Source: Music Matters Survey conducted by Nordicity, 2021

On average, Saskatchewan's music organizations responding to the survey had been in operation for 22 years. The last decade had seen some growth with 36% of all organizations having been established since 2011.

Figure 25: Start year of operations (% of organizations), line indicates cumulative number of organizations operating over decades

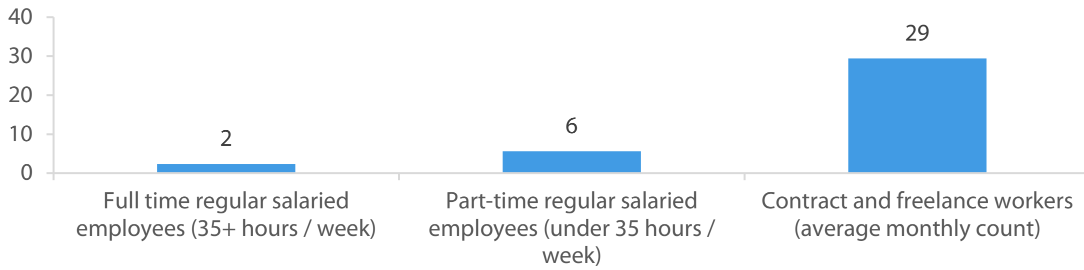


n = 171
Source: Music Matters Survey conducted by Nordicity, 2021

Business and Organization Employment

Music businesses and organizations were surveyed to determine how many people they employed in 2019 and 2020. On average, music businesses and organizations employed two full-time salaried employees, six part-time salaried employees and 29 contract and freelance workers, as illustrated in the figure below.

Figure 26: Average number of employees by category reported by music organizations

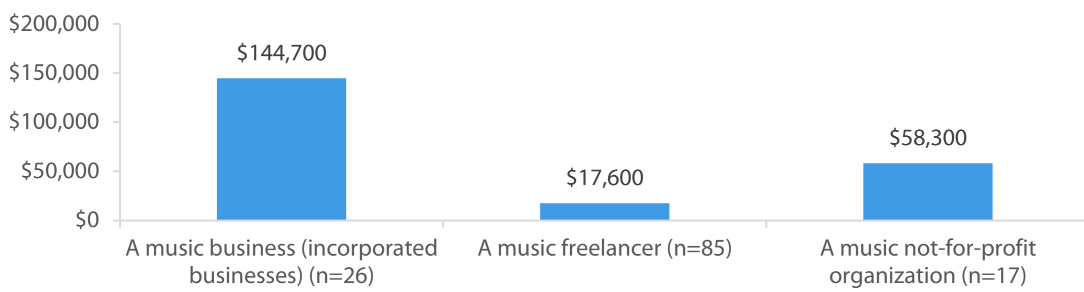


n = 343
Source: Music Matters Survey conducted by Nordicity, 2021

Business Revenue

The average music industry revenue reported by music business in Saskatchewan was $144,700 in 2019. In the same year, music freelancers reported earning an estimated $17,600 from their music activities, and music not-for-profit organizations reported earning an estimated $58,300 from their work in music.

Figure 27: Average revenue earned by music organizations from their music sector activities[11]

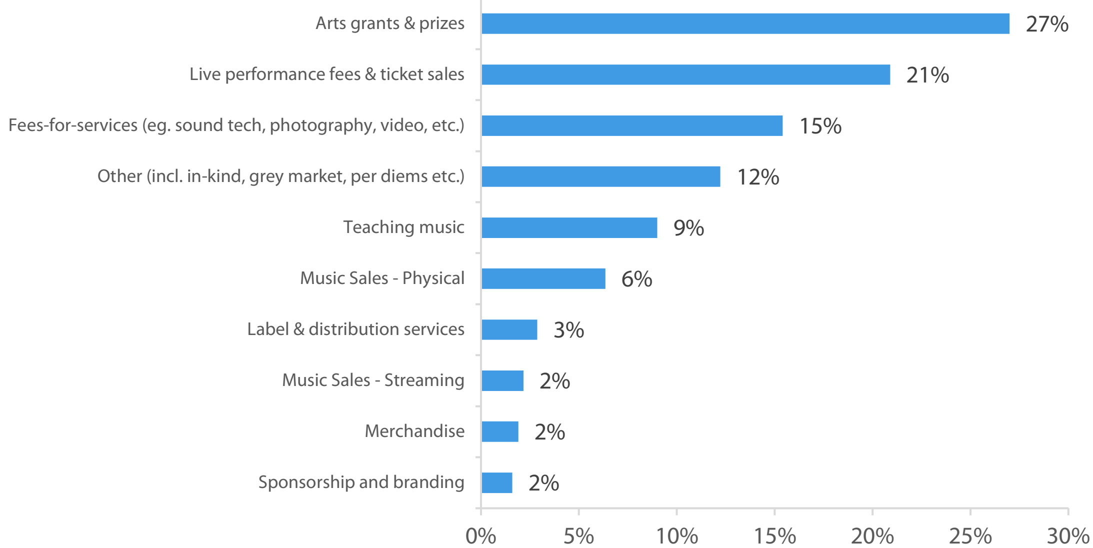


Source: Music Matters Survey conducted by Nordicity, 2021

The figure below displays a breakdown of revenue sources reported by Saskatchewan's music businesses and organizations in 2019. The most prominent revenue sources cited were *arts grants & prizes* (27%), predominantly for the not-for-profit organizations rather than the music businesses. The next largest revenue source was from *live performance fees & ticket sales* (21%), followed by *fees-for-services* (15%).

[11] Excludes outliers

Figure 28: Revenue breakdown by source as reported by music organizations for 2019

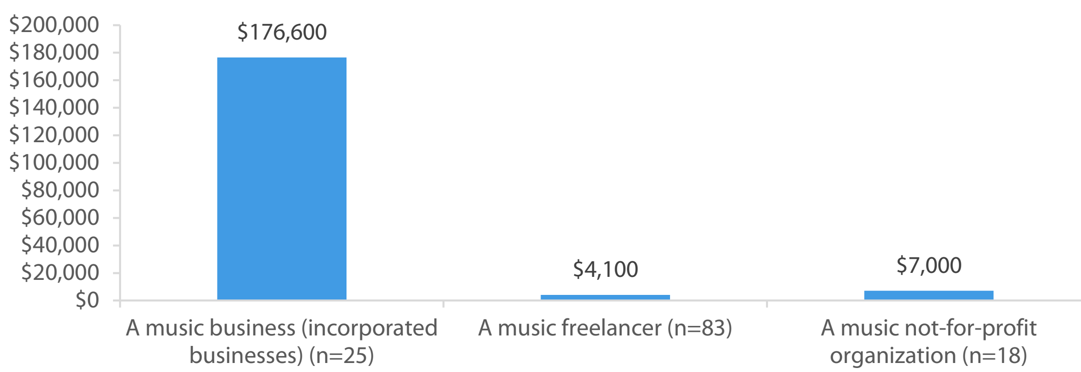


Source: Music Matters Survey conducted by Nordicity, 2021

Business Costs and Expenses

Music businesses responding to the survey reported spending an average of $176,600 in business expenses for their music related activities in 2019, while freelancers reported spending an average of $4,100 and not-for-profits reported spending $7,000.

Figure 29: Average music-related expenditure incurred by music organizations[12]



Source: Music Matters Survey conducted by Nordicity, 2021

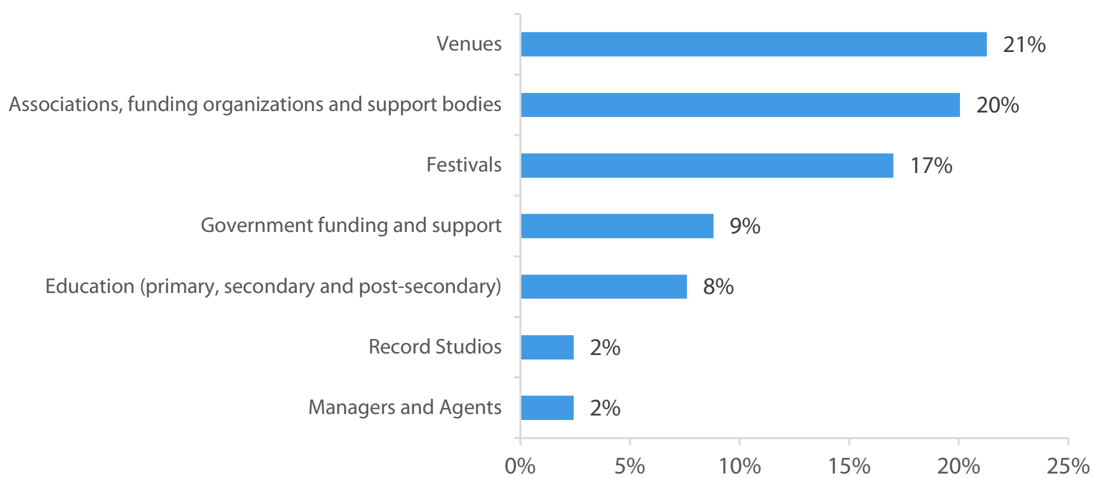
[12] Excludes outliers

5. Strengths and Challenges

The Saskatchewan music industry plays a unique role in the global music ecosystem as characterized by the many different strengths and weaknesses identified by survey respondents.

The biggest strengths of Saskatchewan's music sector identified by survey respondents was its venues (21% of respondents), followed by the province's associations, funding organizations and support bodies (20%). Festivals (17%) were the third most cited strength, followed by government funding and support (9%), education (8%), and trailed by the province's record studios (2%) and managers and agents (2%).

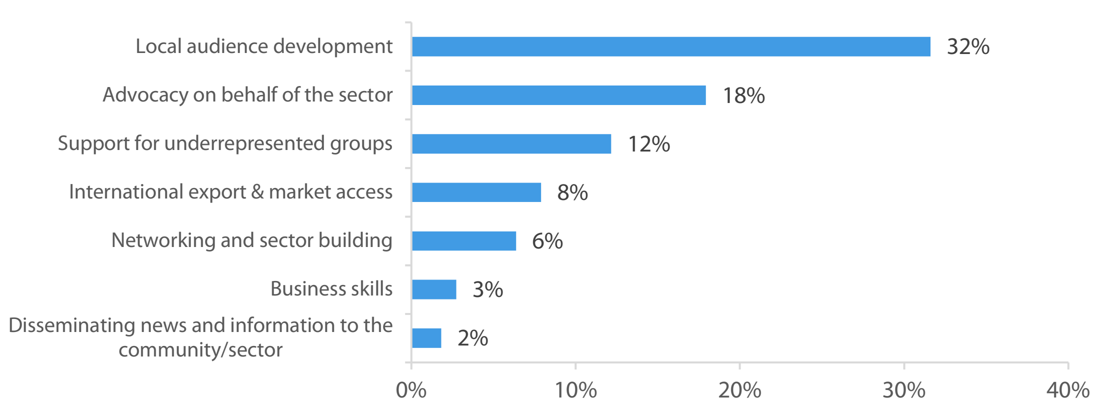
Figure 30: Biggest area of strength as rated by all survey respondents (% of respondents)



n = 329, Source: Music Matters Survey conducted by Nordicity, 2021

While many industry members felt that all areas of music industry development required support and investment, the areas of sector support identified as most important by survey respondents prioritized *local audience development* (32%), *advocacy on behalf of the sector* (18%), and *support for underrepresented groups* (12%) as most pressing for investment. These were followed by support for *international export and marketing access* (8%), networking and sector building (6%), business skills (3%) and disseminating news and information (2%).

Figure 31: The most important area that should be supported, as rated by all respondents (% of respondents)



n = 329, Source: Music Matters Survey conducted by Nordicity, 2021

6. Economic Impact Assessment

The core music industry is comprised of artists and music creators, and music businesses, organizations and freelancers. The **total economic impact** of the core Saskatchewan music industry generates 2,020 full-time equivalent (FTE) jobs, $70.4 million in labour income and $76.2 million in GDP per year in 2019. These economic impacts do not include the wider music industry, comprising radio, public music education, and music tourism – however we do provide estimates for music tourism separately (below).

The total economic impact of the core music industry can be broken down in direct, indirect and induced impacts as follows:

- The **direct economic impact** of the Saskatchewan music industry was the creation of 1,910 FTE jobs, $65.9 million in labour income, and $65.9 million in GDP.

  Of these impacts, **artists** contributed 1,690 FTE jobs and $56.0 million in both labour income and GDP each, and **companies** contributed 220 FTE jobs and $9.9 million in both labour income and GDP each.

- The **indirect economic impact** of the Saskatchewan music industry was the creation of 50 FTE jobs, $2.1 million in labour income, and $4.1 million in GDP.

  Of these impacts, **companies** contributed 50 FTE jobs, $2.1 million in labour income and $4.1 million in GDP.

- The **induced economic impact** of the Saskatchewan music industry was the creation of 60 FTE jobs, $2.5 million in labour income, and $6.2 million in GDP.

  Of these impacts, **artists** contributed 40 FTE jobs, $1.7 million in labour income and $4.3 million in GDP, and **companies** contributed 20 FTE jobs, $770 thousand in labour income and $1.9 million in GDP.

Economic Impact 2019	Direct impact	Indirect impact	Induced impact	**Total impact**
Employment (FTEs)	1,910	50	60	**2,020**
Labour income ($000s)	$65,875,000	$2,072,000	$2,475,000	**$70,422,000**
Gross domestic product ($000s)	$65,875,000	$4,144,000	$6,217,000	**$76,236,000**

Source: Nordicity analysis, Nordicity MyEIA Model™

The **total fiscal tax impact** of the Saskatchewan music generates $22.1 million in taxes, including $15.7 million in personal income taxes, $312 thousand in corporation taxes, $4.3 million in consumption taxes and $1.8m in local property taxes and other fees per year in 2019. The total fiscal impact of the core music industry can be broken down in federal and provincial impacts as follows:

- The **federal fiscal tax impact** of the Saskatchewan music industry was the creation of $10 million in personal income taxes, $257 thousand in corporation income taxes and $1.6 million in consumption taxes.

  Of these impacts, **artists** contributed $9.6 million in federal taxes. These were derived from $8.2 million in personal income taxes, $114 thousand in corporation income taxes, $1.3 million in consumption taxes.

  Companies contributed $2.3 million in federal taxes. These were derived from $1.8 million in personal income taxes, $143 thousand in corporation income taxes, $339 thousand in consumption taxes.

- The **provincial fiscal tax impact** of the Saskatchewan music industry was the creation of $5.7 million in personal income taxes, $55 thousand in corporation taxes, $2.7 million in consumption taxes and $1.8 million in local property taxes and other fees.

  Of these impacts, **artists** contributed $8.2 million in provincial taxes. These were derived from $4.7 million in personal income taxes, $24 thousand in corporation income taxes, $2.1 million in consumption taxes and $1.4 million in local property taxes and other fees.

  Companies contributed $2.0 million in provincial taxes. These were derived from $1.0 million in personal income taxes, $31 thousand in corporation income taxes, $563 thousand in consumption taxes, and $367 thousand in local property taxes and other fees.

Fiscal impact 2019	Federal	Provincial	**Total Impact**
Personal income taxes	$10,029,000	$5,711,000	**$15,740,000**
Corporation income taxes	$257,000	$55,000	**$312,000**
Consumption taxes	$1,617,000	$2,685,000	**$4,302,000**
Local property taxes and other fees	$0	$1,750,000	**$1,750,000**
Total	**$11,903,000**	**$10,201,000**	**$22,104,000**

Source: Nordicity analysis, Nordicity MyEIA Model™

Economic Impact Explainer

The main source of direct economic impact in any economy is money paid to or generated by individuals. As such, the direct impact contributed by companies comes from salaries and wages paid to their employees, as well as the profits they earn from their operations (which can be understood as income for the companies' owners). On the other hand, artists contribute to the economy by earning income from their music activities.

In addition to the direct impact, economic activity also has what can be called "spin-off" impacts, which represent the ripple effects that an industry (or community) has on the broader economy. These impacts include **indirect** impacts (the employment and value added by suppliers from which music companies purchase goods and services), and **induced** impacts (the re-spending of labour income earned from music companies and their suppliers).

6.1 Music Tourism Impact

Music is a major contributor to tourism worldwide, and is an important part of the wider music ecosystem. In Saskatchewan, the impact of music tourism was assessed through consultation and testing with music industry members and SaskMusic.

Nordicity estimates of Saskatchewan's music tourism impact indicate $39.9 million in tourism spending in 2019. The estimated **total economic impact music tourism** in Saskatchewan generated 440 full-time equivalent (FTE) jobs, $16.9 million in labour income and $31.6 million in GDP in 2019. This total economic impact includes:

- The **direct economic impact** of music tourism in Saskatchewan was the creation of 330 FTE jobs, $10.9 million in labour income, and $18 million in GDP.
- The **indirect economic impact** of music tourism in Saskatchewan was the creation of 80 FTE jobs, $4.4 million in labour income, and $9.7 million in GDP.
- The **induced economic impact** of music tourism in Saskatchewan was the creation of 30 FTE jobs, $1.6 million in labour income, and $3.9 million in GDP.

Music Tourism Impact 2019	Direct impact	Indirect impact	Induced impact	**Total impact**
Employment (FTEs)	330	80	30	**440**
Labour income ($000s)	$10,895,000	$4,418,000	$1,550,000	**$16,863,000**
Gross domestic product ($000s)	$18,037,000	$9,713,000	$3,895,000	**$31,645,000**

Source: Nordicity estimates based on live event research and Statistics Canada (Table 24-10-0004-01) and MyEIA Model™

These total music tourism expenditures were adjusted to remove sales taxes (11%) and allocated across tourism goods and services categories in accordance with Statistics Canada data on the profile of overall tourism spending in Saskatchewan in 2017 (Statistics Canada Table 24-10-0004-01). Nordicity's MyEIA Model was used to analyze how the allocated tourism expenditures translated into provincial impact.

Music tourism generated an estimated 440 FTEs of employment and $31.6 million in GDP for the Saskatchewan economy in 2019. Out of this total impact, industries that directly benefit from tourism spending (e.g. transport, accommodation, food & beverage) accounted for 330 FTEs and $18.0 million in GDP.

Audience and visitors

Music festivals and events information was collected and organized into five type categories including small events, small-medium festivals, small-medium events, medium events, and one large event. This data was used to estimate both the number of total annual audience 'person days' as well as 'person visits' in Saskatchewan's music festivals and events. In the case of the person visits, a 3-day event was counted as a single visit.

Person days and visits were allocated to three categories – local, rest of Saskatchewan and outside Saskatchewan – to reflect the origin of audiences. This allocation was also based on event information.

	Annual no.	Average audience/ tickets	Days	Person days*				Person visits			
				Total annual audience	Local	Rest of Sask	Outside Sask	Total annual audience	Local	Rest of Sask	Outside Sask
Small events	2,500	1,000	1	2,500,000	2,250,000	225,000	25,000	2,500,000	2,250,000	225,000	25,000
Festivals	50	2,000	3	200,000	0	198,000	2,000	100,000	0	99,000	1,000
Medium events	150	1,750	1	131,250	98,438	32,813	0	262,500	196,875	65,625	0
Large events	24	25,000	1	600,000	300,000	270,000	30,000	600,000	300,000	270,000	30,000
Large outlier event (Country Thunder)	1	30,000	3	60,000	15,000	39,000	6,000	30,000	7,500	19,500	3,000
Total	**2,725**			**3,491,250**	**2,663,438**	**764,813**	**63,000**	**3,492,500**	**2,754,375**	**679,125**	**59,000**

Source: Nordicity research
Note: * For 3-day events, visitors were assumed to have spent an average of 2.5 days at the venue.

Estimated visitor spend

The person-visits data was combined with assumptions for average spend per visit to estimate the total tourism spending for intra-provincial audiences and audiences from outside the province. For intra-provincial visits, $50 per person per visit was estimated to have been spent outside the venue. For inter-provincial visits, $100 per person per visit was estimated to have been spent outside of venues.

This approach indicated that overnight Saskatchewan audiences spent an estimated $34 million on transport, accommodation, food and other tourism goods and services, on account of their travel to music events and festivals in 2019. Audiences from outside the province spent an estimated $5.9 million. In total, music concerts and festivals in Saskatchewan in 2019 led to an estimated $39.9 million in tourism spending.

	Bed nights	Visits	Spend per visit ($)	Total spend ($)
Intra-provincial (overnight)	764,813	679,125	$50	33,956,250
Inter-provincial/International	63,000	59,000	$100	5,900,000
Total	**827,813**	**738,125**		**39,856,250**

Source: Nordicity estimates

7. Impact of Covid-19 on Saskatchewan's Music Industry

Covid-19 has had devastating effects on the Saskatchewan music industry. While there are ample examples of businesses, careers and whole subsectors brought to their knees, the quantitative impact of the pandemic in only its first year provides a clear understanding of its economic effect.

As a whole, estimates of the economic impact Covid-19 had on Saskatchewan's music industry point to a decrease of approx. 52% in employment, labour income and GDP income between 2019 and 2020. Similarly, Covid-19 has reduced the music sector's fiscal impact in the form of both federal and provincial taxes by approx. 52% between 2019 and 2020.

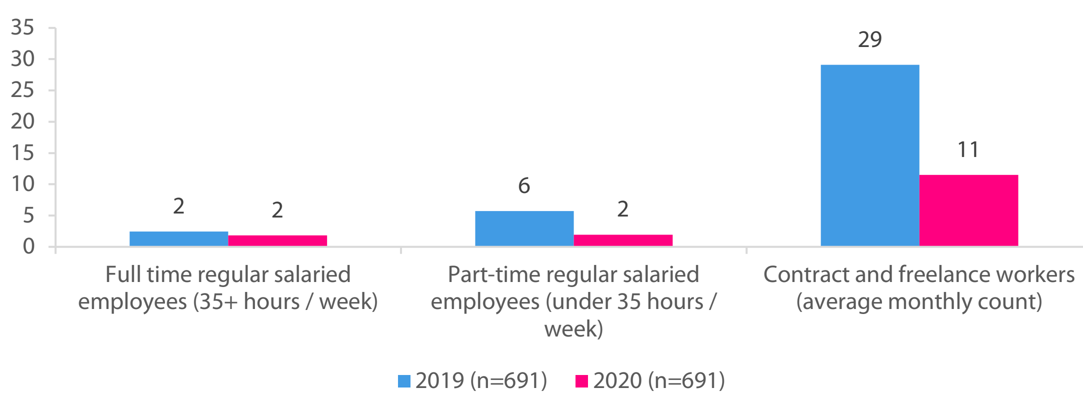
Economic Impact Change	Direct impact	Indirect impact	Induced impact	**Total impact**
Employment (FTEs)	-51%	-60%	-50%	**-51%**
Labour income ($000s)	-52%	-59%	-53%	**-52%**
Gross domestic product ($000s)	-52%	-59%	-53%	**-52%**

Fiscal Impact Change	Federal	Provincial	**Total**
Personal income taxes	-52%	-52%	**-52%**
Corporation income taxes	-55%	-56%	**-55%**
Consumption taxes	-52%	-52%	**-52%**
Local property taxes & other fees	-	-52%	**-52%**
Total	**-52%**	**-52%**	**-52%**

Source: Nordicity analysis, Nordicity MyEIA Model™

The impact of Covid-19 on Saskatchewan's music industry itself has been significant. The average number of part-time employees has declined by 67% down from 6 to 2, while the number of contract/freelance employees decreased by 62% from 29 to 11 between 2019 and 2020.

Figure 32: Average number of employees by category reported by music organizations

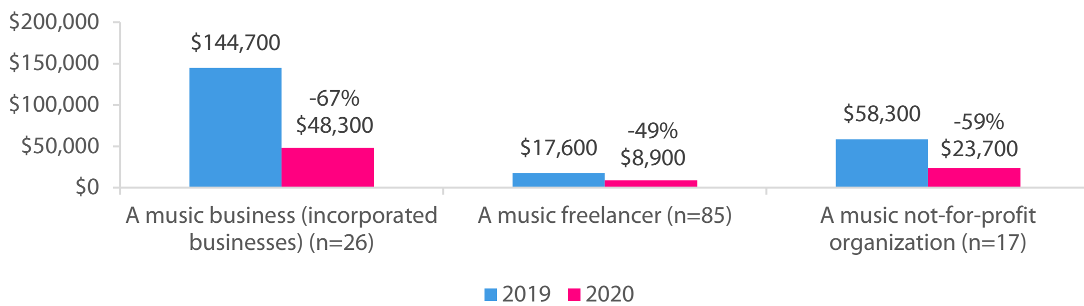


Source: Music Matters Survey conducted by Nordicity, 2021

The impact of Covid-19 has been catastrophic to the revenues of music organizations in Saskatchewan, which were cut by 67% from an average of $145k in 2019 to $48k in 2020.

The revenue earned by freelancers dropped 49%, from an average of $17.6k in 2019 to a mere $9k in 2020, while not-for-profits experienced a revenue decrease of 59% from $58k in 2019 down to only $23.7k in 2020. The impact of Covid-19 was particularly damaging to Saskatchewan's music industry given its strength in live music, which experienced a total shutdown due to the pandemic.

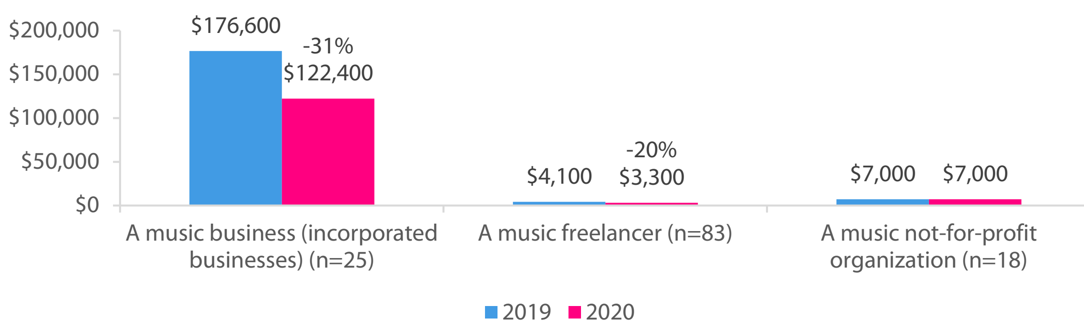
Figure 33: Average revenue earned by music organizations from their music sector activities[13]



Source: Music Matters Survey conducted by Nordicity, 2021

The pandemic also resulted in a major cut in music business spending in Saskatchewan, reducing the direct, indirect and induced benefits the music industry has across the wider economy. Music businesses reported a drop of 31% of their spend from an average of $177k in 2019 down to $122k in 2020. Music freelancers reduced their spend by 20%, down from $4.1k in 2019 to $3.3k in 2020, while not-for-profits reported no change.

Figure 34: Average music-related expenditure incurred by music organizations[14]



Source: Music Matters Survey conducted by Nordicity, 2021

[13] Excludes outliers

[14] Excludes outliers

Nordicity

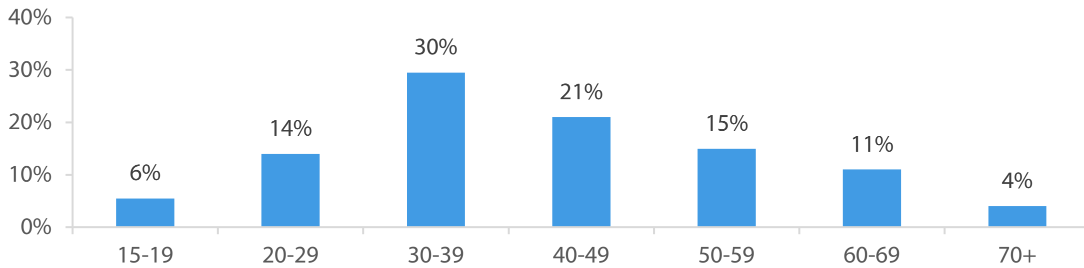
Appendix A: Additional Survey Data

A further breakdown of survey data provides demographic information on the artists and music creators alongside the profile of workers in both music businesses and non-profits.

Demographic Profile of Artists and Music Creators

The average age of artists and music creators in Saskatchewan responding to the survey was 43 years. The complete age distribution is shown in the figure below.

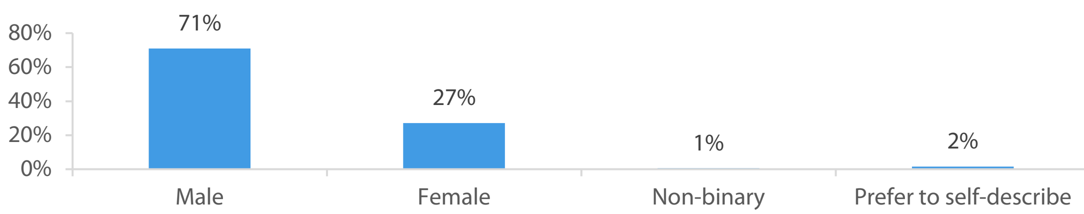
Figure 35: Age distribution of music artists and creators in Saskatchewan (self-identified)



n = 200
Source: Music Matters Survey conducted by Nordicity, 2021

A large majority (71%) of the responding artists identified as male, and 27% identified as female.

Figure 36: Gender identity of music artists and creators in Saskatchewan (self-identified)

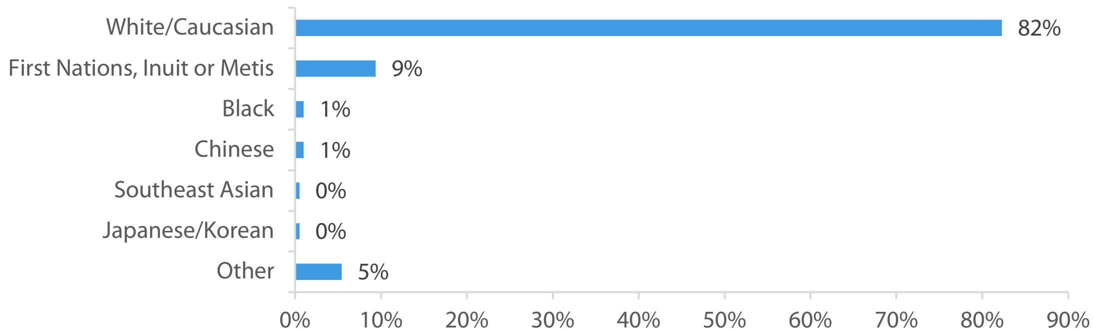


n = 196
Source: Music Matters Survey conducted by Nordicity, 2021

A large majority (82%) of responding artists identified as White/Caucasian, while another 9% identified as First Nations, Inuit or Metis. In comparison, almost 71% of Saskatchewan's population identified as having European ancestry, and 16.3% identified as having Indigenous identity.[15]

[15] From 2016 Census

Figure 37: Ethnicity of artists and music creators in Saskatchewan (self-identified)

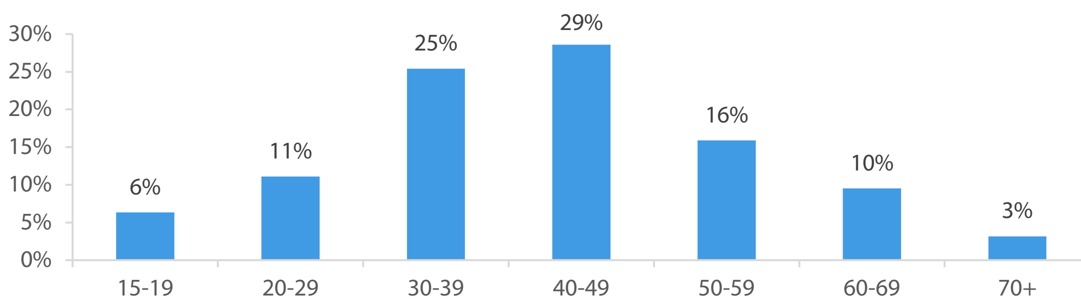


n = 203
Source: Music Matters Survey conducted by Nordicity, 2021

Demographic Profile of Workers (non-profit and music businesses)

Workers in the industry are people who work in music and are employed by a music business or a non-profit organization. The age profile of music industry workers responding to the survey was very similar to the overall industry, as seen in the figure below.

Figure 38: Age distribution of music workers in Saskatchewan (self-identified)



n = 63
Source: Music Matters Survey conducted by Nordicity, 2021

Unlike the overall industry and artist respondents, responding music industry workers were more likely to identify as female with just over half (51%) of respondents identifying as such.

The gender distribution of respondents from non-profit organizations was also similar to workers, with 43% identifying as female.

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Appendix B: Industry Stakeholder Consultations

Regina Symphony	Mike Forrester
Regina Folk Festival	Josh Haugerud
SaskTel Centre	Scott Ford
Ness Creek Festival	Carlie Letts, Kerri Fischer
OSAC	Kevin Korchinski, Skip Taylor
Conexus Arts Centre	Bim Pandya
Broadway Theatre	
SaskTel Jazz Festival	Kevin Tobin
SaskCulture	
SAA	
Local 446 AFM	
Local 553 AFM	
SRMTA	Nick Arsenault
SCMA	
Saskatoon Symphony	
Northern Lights Bluegrass	
SMEA	Jennifer Jungwirth
Kathy Allen	
Sask Choral	
Sask Band	