

Evaluation of the Impact of Increases to City of Toronto Cultural Grants from 2012 to 2016

Final Report

November 2017

Table of Contents

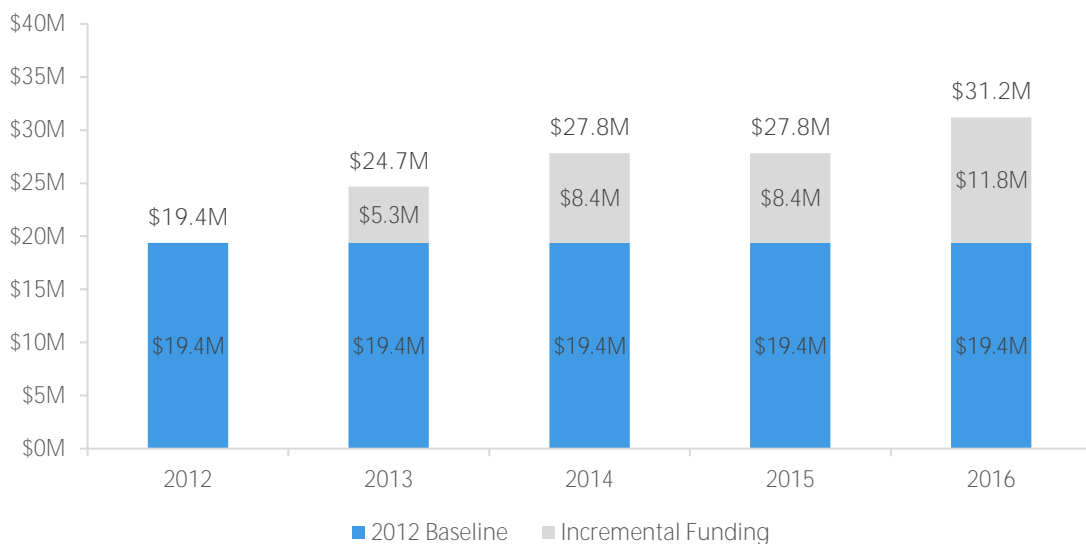
Executive Summary	2
1. Introduction	16
1.1 Mandate	16
1.2 Data Limitations	17
1.3 Attribution of Impact	18
1.4 About this Document	18
2. Context for the Increases to Culture Grant Programs	19
2.1 Overview of the Increases	19
2.2 Demographic and Economic Shifts	20
2.3 Support for the Arts	22
3. Overall Impact of Increases	32
3.1 Overview of Grants Increases	32
3.2 Priority Objectives for Increased Cultural Grants	37
4. Impact of Granting Programs	53
4.1 Major Cultural Organizations (MCOs)	53
4.2 Local Arts Service Organizations (LASOs)	56
4.3 Culture Build	64
4.4 Overview of Allocations to the Toronto Arts Council	68
4.5 TAC Operating Grants	69
4.6 TAC Grants to Projects and Individual Artists	79
4.7 TAC Strategic Initiatives	83
5. Summary of Findings and Conclusions	91
5.1 Progress toward Achieving Priority Objectives	91
5.2 Impact of Granting Programs	94
5.3 Overall Findings	97
6. Recommendations	99
6.1 Considerations for New Directions in Funding	99
6.2 Improved Measurement and Evaluation	102
Appendix A. Methodology	105
Appendix B. Interviewees	106

Executive Summary

Introduction

In 2013, and then again in 2014 and 2016, the City of Toronto boosted its allocations to arts and cultural grants. In fact, by 2016, annual investment in culture through grants was 61% higher than it **had been in 2012**. As a result, Toronto's culture sector received a significant infusion of new funding through the Toronto Arts Council (TAC), as well as directly from the City through grants to Major Cultural Organizations (MCOs), Local Arts Service Organizations (LASOs), through the Culture Build Investment Program (Culture Build) and to other recipients through budget line items.

City of Toronto cultural grants budget, 2012 to 2016



Source: City of Toronto

This increase put the City on track, by 2018, to meet its 2003 commitment to reach a \$25 per capita target for net direct investments in arts and culture. This increase had significant positive impacts on recipients and supported notable progress toward achieving **the City's overall strategic and policy objectives**. This report documents those impacts.

About this Report

Nordicity was commissioned by the City to assess, based on a 2012 base year, the incremental impacts of the new cultural grants funding disbursed from 2013 to 2016. The assessment was guided by six priority objectives, developed as part of the *Creative Capital Gains* report and subsequent consultations, on which Council **based its endorsement of funding increases**. The City's objectives with the increased grants were to:

1. Promote more arts activity outside the downtown core;
2. Stimulate greater opportunities for young and emerging artists;
3. Develop and leverage a greater range of partnerships;

4. Increase youth and community arts activities;
5. Build capacity for small and medium-sized arts organizations; and,
6. Improve cultural spaces across the city.

This report describes the outputs of the funding increase (i.e., the most immediate results), through indicators such as the overall distribution of grants, the number of programs delivered, and attendance figures measured through quantitative analysis. It also outlines the outcomes achieved across the sector (i.e., the intermediate consequences), through indicators developed for each of the **City's six priorities and assessed through qualitative analysis**. Finally, it recommends areas to consider for future allocation and tracking of City investments through cultural grants, including new directions for funding, and opportunities for improved measurement and evaluation to better inform future evaluation and decision-making.

Nordicity's evaluation was based on analysis of quantitative and qualitative data, primarily from Canadian Arts Data/Données sur les arts au Canada (CADAC)¹ and stakeholder interviews. It should be noted, however, that CADAC only represents arts organizations that receive ongoing operating funding from the City or TAC, which in combination account for an estimated 77% of overall grants distributed over the four-year period. Therefore, quantitative analysis of this data does not include the outputs related to TAC grants to individual artists or organizations not receiving operating funds but supported through project grants, state of good repair support, or investments in strategic initiatives.

Furthermore, neither the outputs nor outcomes reported on are *directly* or *exclusively* a result of the increased funding. Many variables contribute to the state of Toronto's **arts community, including:**

- Changes in the levels of other public and private revenue sources on which arts organizations depend to sustain their operations and programming;
- Economic and demographic shifts in the city, including population growth in neighbourhoods and rapidly rising real estate costs; and,
- The changing nature of audience demand for arts programming.

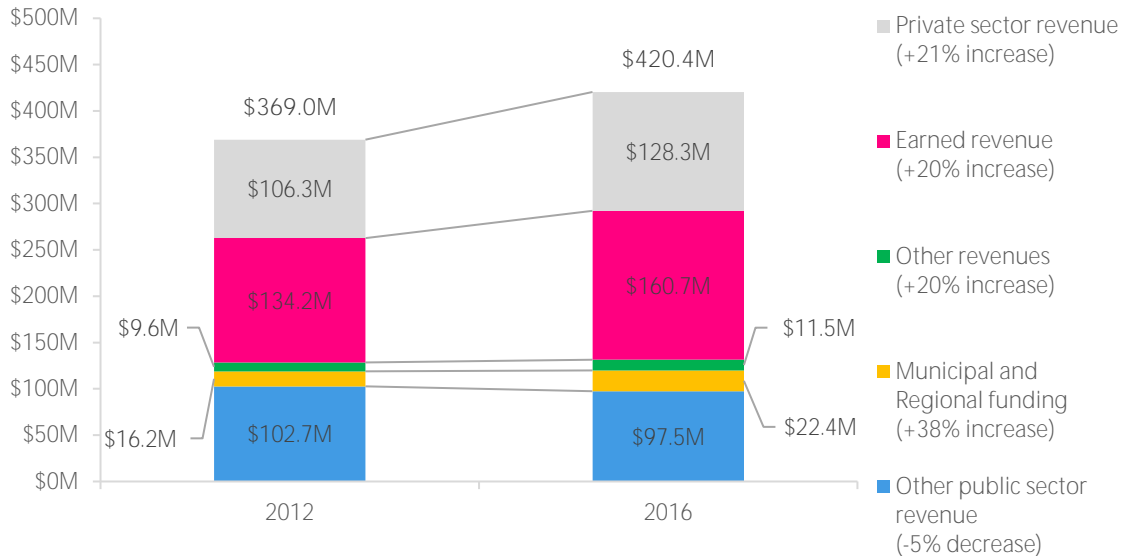
As each recipient organization is influenced by a unique combination of factors, this report does not assess the degree of attribution of the consequences that could be claimed by the increased funding from the City. Rather, the report captures the aggregate outputs of the funded organizations and **activities, as well as the outcomes in relation to the City's six stated priorities.**

¹ CADAC data has some limitations in terms of accuracy and reliability – all financial data is audited, but statistical data is self-reported. As a result, there was some evidence that, in some cases, organizations may have interpreted statistical line items differently. For example, the number of attendees reported by one organization do not necessarily represent the same unit of attendees reported by another organization - one organization may count only paid, ticketed attendees, whereas another may report on estimated attendance to a street festival in the same line.

Revenue Sources for Toronto's Arts Organizations

As noted above, municipal funding is one of several revenue sources for Toronto's arts organizations. The figure below shows the changes in the various revenue streams, from 2012 to 2016.

Sources of revenue for Toronto arts organizations²

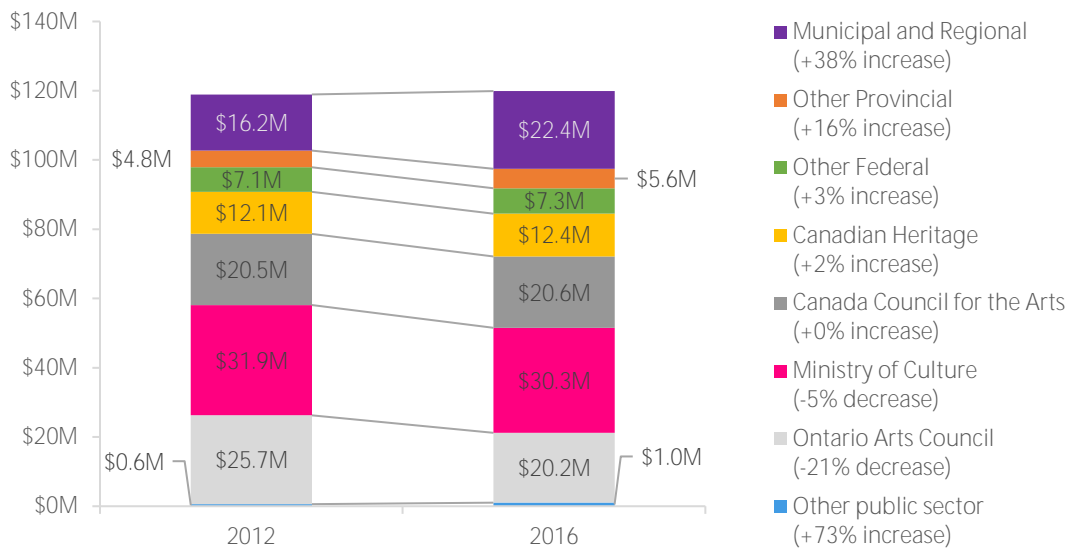


Source: CADAC

As shown above, from 2012 to 2016, Toronto's arts organizations operated in an environment where the other public funding components of the arts ecosystem did not grow – in fact, Toronto arts organizations saw their revenues from other levels of government decline by 5%. In some cases, cuts or reallocations by other levels of government disproportionately impacted Toronto arts organizations, as funding was shifted to other regions. The following figure shows the breakdown of public funding received by Toronto arts organizations in 2012 and 2016.

² Does not include organizations that did not report to CADAC.

Public funding received by Toronto arts organizations that reported in CADAC, by source, 2012 and 2016



Source: CADAC

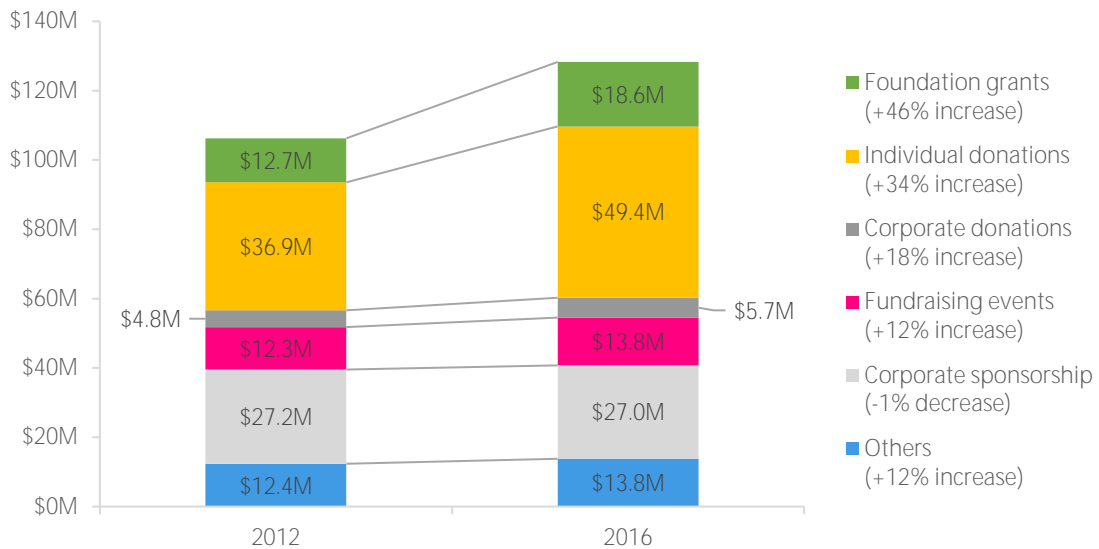
Given stable or decreasing levels of support from other levels of government, municipal grants enabled the local arts and culture community to sustain itself, if not grow. Additionally, the funding increase from the City only began to make up for many years of stagnant funding from all levels of government – funding that had not offset rapidly increasing costs.

It does not appear, however, that other public funders explicitly decreased their funding in response to the increased investment in culture by the City of Toronto. There was found to be an admitted bias on the part of provincial and federal organizations toward spreading available funding to communities outside of Toronto.

On the other hand, discussions with funders at other levels of government suggest that local funding enables organizations and artists to be more competitive when applying to other programs. Given the recent substantial increases to both the Canada Council for the Arts and the Ontario Arts Council, **the City's continued investment in culture will be essential to Toronto's arts organizations'** ability to seize new funding opportunities.

While other public sources of revenue declined, earned revenue and support from private sources increased from 2012 to 2016 – both by about 20%. The following figure shows the breakdown, and percentage increase in the various sources of private support for **Toronto's arts organizations**.

Private funding received by Toronto arts organizations that reported to CADAC, by source, 2012 and 2016



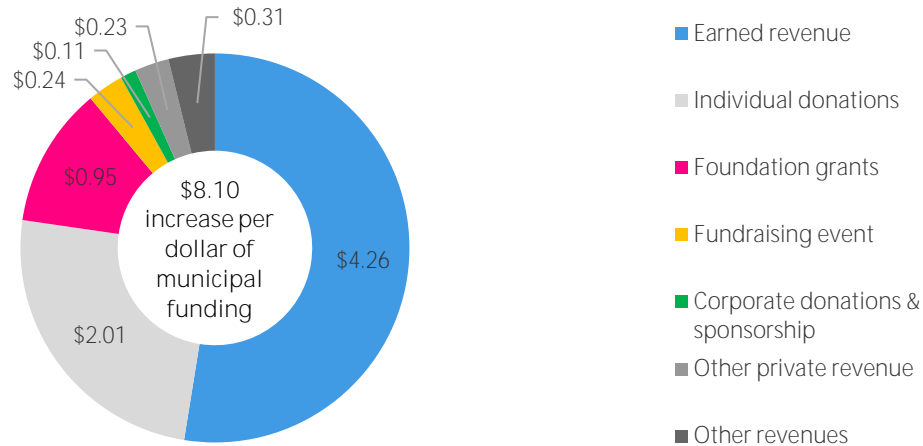
Source: CADAC

As shown above, every type of private funding except for corporate sponsorship increased during the study period. The greatest increase is seen in foundation grants, which grew 46% from 2012 to 2016, followed by a 34% increase in individual donations, which remained the most significant source of private support in both years.

When assessed in relation to the increased municipal support, CADAC data reveals that each incremental dollar of municipal and regional funding was related to \$8.10 of increased earned revenue and private support.³ That factor is based on the increase in municipal and regional funding which totaled \$6.2 million, matched against the increase in earned and private support, which was \$50.5 million.

³ Notes: As noted, non-municipal public-sector revenue is not included in this analysis, as it saw a decline from 2012 to 2017. That decline is likely more reflective of the decisions of different levels of government, rather than the capacity of organizations to pursue support. Including public sector revenue would show a \$7.26 increase in revenue per dollar of increased municipal funding.

Increased earned revenue and private support for Toronto arts organizations, per incremental dollar of municipal funding⁴



Source: CADAC

The increased ability of arts organizations to attract private support may be related to their increased **capacity and reach**. **An arts organization’s success in securing private support is a function of many factors**, but sophisticated fundraising – from individual donors, corporations and foundations – takes skill and time and can be more difficult for smaller organizations. Success in securing corporate sponsorship is directly related to marketing, promotion and reach, where again those organizations with large footprints in the community have more to offer. As such, larger, more established cultural organizations have been more successful in such endeavours.

Interviews revealed that City funding supports the leveraging of private support by arts organizations. **Serving as a “stamp of approval,” municipal support demonstrates to prospective private sector supporters that the government is on board**, which helps in their decision to donate to or sponsor an event or organization.

Progress toward Achieving the **City’s Objectives**

The study concludes that there has been some measurable progress in terms of outcomes, during the period in which **the City’s cultural grants were increased**. The following table outlines the key performance statistics reflecting the outputs achieved by Toronto arts organizations. Note that these figures reflect only organizations that report to CADAC, and therefore exclude grants to individual artists, as well as some project, strategic and Culture Build grants.

⁴ **Municipal funding** is understood as “Total municipal or regional public revenues” in CADAC. Other revenues include Net investment income, Parent organization contribution and Stabilization organization contribution. Does not include organizations that did not report to CADAC.

Key Performance Statistics for 2013-2016 | All Toronto Arts Organizations

	Total	Average yearly Increase ⁵
Public activities delivered	115,000	6.1%
Attendance at public activities	59 million	5.5%
Arts education and learning activities	162,000	4.2%
Participation in arts education and learning activities	15 million	4.2%

The period of increased funding also coincided with considerable progress toward the **achievement of the City’s six priority objectives**. Each of these objectives is discussed below.

Promotion of Arts Activity outside the Downtown Core

There was significant expansion in the spread of grants funding outside the downtown core, although there remains a high concentration in the city’s downtown core:

- LASOs played a key role in providing arts services and activities to the inner suburbs, significantly expanding their coverage across the city and serving new, previously underserved areas.
- Newly introduced TAC strategic funding streams also contributed to an increase of arts activity outside the core, including through the Artists in the Library, Animating Toronto Parks and Historical Sites, and Targeted Enhanced Funding programs.
- TAC operating grants saw a slight increase in total allocations to organizations outside the downtown core (8.4% in 2016, up from 6.5% in 2012). However, 23% of new recipients of operating grants were located outside the core, demonstrating a shift – albeit a slow one – toward increased representation of non-core organizations in the operating stream.
- MCO programming continued to occur primarily in the core, but many MCOs increasingly recruited talent (e.g., artists and curators) from across the city.
- Culture Build funding for the renovation and maintenance of cultural facilities outside the downtown core accounted for 26% of total funds allocated and 23% of recipients.

Map of cultural grant recipients 2012



2013-2016



⁵ Includes organizations reporting to CADAC. Excludes project or strategic grants provided to organizations that do not receive operating funding and thus are not captured in CADAC. Average yearly increase calculated based on the sum of statistical data for organizations that reported a non-zero value for each statistic in both consecutive years being compared.

Increased Partnerships within the Sector and beyond

Many grant recipients leveraged opportunities for partnerships and collaborations toward the realization of programming aspirations and maximization of collective impact across the sector. Others joined forces with partners outside of the arts sector with complementary social or economic development mandates. **TAC's strategic initiatives**, including Open Door and Platform A, as well as its increased support of ArtReach and artsVest, particularly encouraged collaboration in the culture sector.

Increased Opportunities for Young and Emerging Artists

Arts organizations created new opportunities for young and emerging artists by delivering nearly 18,000 activities in which youth created work, which had a combined attendance of over 300,000. The number of activities delivered increased by an average of 5.4% from year to year. Organizations who support young and emerging artists as a core part of their mission, such as VIBE Arts and ArtsReach, continued to expand their capacity, while other organizations leveraged increased funds to grow youth-focused programming.

Increased Opportunities for Youth and Community Arts

Community Arts was perhaps the area with the most significant outcomes during the four-year period, with organizations delivering approximately 4,600 community arts activities, with a combined attendance of over 400,000. There was an average yearly increase of 25.6% over the four years in the number of community arts activities, and 33.8% average yearly increase in attendance at these activities. Community Arts also saw the largest proportional increase in TAC operating grant allocations between 2012 and 2016 (an increase of 99% over the four years, from \$0.4 million in 2012 to \$0.8 million in 2016).

LASOs truly embraced the mantle of reaching newcomers and under-served community groups, both as artists and audiences, and responded to urgent needs within the areas they serve. Increased **funding not only contributed to the establishment of two new LASOs, but also each LASO's capacity** to follow through on administratively burdensome activities, such as supporting the realization of public art installations.

Arts organizations also delivered approximately 11,000 activities specifically designed or directed at youth, which had a combined attendance of over 1.5 million. The number of activities specifically designed or directed at youth experienced an average yearly increase of 9.3%, and attendance rose on average yearly by 2.3%. Importantly, youth activities support the development of future audiences and patrons and are essential to the sustainability of the sector overall.

Increased Capacity for Small and Medium-sized Organizations

From 2012 to 2016, the number of full-time equivalent (FTE) administrative staff reported by arts organizations increased by 10%, reflecting a significant increase in organizational capacity for small and medium-sized arts organizations. Across the board, stakeholders shared that the increases in operational funding had also allowed them to increase capacity:

- TAC operating grants increased by 34% over the period, and not only allowed increased funding to existing organizations in the grant programs, but also acceptance of 30 new arts organizations as operating grant recipients.
- The new entrants to the operating grant program leveraged their increased capacity to expand their programs and in many cases, bring new and often multi-disciplinary artistic **practices into TAC's portfolio.**

Indeed, there were many benefits associated with increased operating funds, especially since it reversed many years of underfunding. It also generated even more activity, leading to an increased demand for these funds. In fact, in 2016, the amount of unfunded operating grant requests (16%) was higher than it had been in 2012 (11%), and several organizations that were eligible and ready to enter the operating grant stream were not able to do so due to insufficient funds. At the same time, consultations revealed that while organizations have benefitted from the increased funding, many still face challenges in being able to deliver programming while keeping up with rapidly increasing facilities-related costs; as well, while there would be some improvements in wages, these low paying jobs are factors in a high turnover rate.

Improved Cultural Spaces

Increases in operating funding and the introduction of strategic funds also served to make progress toward improving cultural spaces. However, these increases were outpaced by the overall surge in costs associated with fixed costs such as rent, mortgage and property tax payments:

- In Toronto, commercial and retail real estate prices went up 140% to 150% between 2012 and 2016, with the greatest increase seen downtown,⁶ and Toronto arts organizations spent increasingly more (average yearly increase of 4.3%) on rent and mortgage interest expenses between 2012 and 2016.
- The City re-introduced Culture Build as key contributor to this area, though with a small funding envelope and mandate exclusively focused on state of good repair.
- Some TAC strategic funding programs directly addressed the issue of spaces through activating new public spaces and acknowledging the financial burden and sector-wide value of facilities-based organizations that subsidize space costs for smaller organizations, often at below-market prices.
- LASOs were also instrumental to progress in this area, expanding into more spaces over the course of the four years, often to meet the objective of expanding their services more broadly into new geographic areas.

However, despite the increases in operating grants and the introduction of other targeted granting programs, there remains significant demand for additional support related to ensuring arts organizations have affordable spaces in which to deliver programming.

Performance of Specific Grant Programs

Each of the main granting programs through which arts funding from the City is distributed – including MCOs, LASOs, Culture Build, and TAC – **contributed in unique ways to achieving the City's strategic objectives for this increased investment.**

⁶ Toronto Real Estate Board, Commercial Realty Watch
http://trebcommercial.com/public/comwatch/com_back/2012/index.htm

Major Cultural Organizations (MCOs)

The City's contribution to MCOs increased by 28% from 2012 to 2016, but accounted for a decreasing portion of overall cultural grant allocations (31% in 2012 and 26% in 2016). This support represented approximately 3% of the total revenues of MCOs. As a result, changes in outputs or outcomes achieved by MCOs cannot be directly attributable to the funding increase. However, these organizations regard increased backing by the City as having a positive impact on realizing their participation and engagement goals.

Moreover, the support of the City encouraged the alignment of many MCO activities with **the City's** priority objectives, notably in terms of increased activity outside the core, creating opportunities for young and emerging artists, and collaborating with new partners.

As shown in the table below, which highlights their key performance statistics between 2013 and 2016, MCOs accounted for a sizeable portion of public activities delivered by arts organizations in Toronto, as well as participation in those activities.

Key Performance Statistics for 2013-2016 | Major Cultural Organizations (MCOs)⁷

	Total (% of total)	Average Increase from Previous Year (overall average)
Public activities delivered	45,000 (39%)	4.7% (6.1%)
Attendance at public activities	25 million (42%)	6.1% (5.5%)

Local Arts Service Organizations (LASOs)

The City's contribution to LASOs more than tripled over the four years, from a base of \$0.5 million in 2012 to \$1.7 million in 2016. **By the end of the period, City funding made up 55% of LASO's overall revenue** (up from 29% in 2012), and was essential to the launch of two new organizations, and strides made by all six in terms of capacity building and program/service expansion.

The table below shows **the LASOs'** key performance statistics between 2013 and 2016. Although they account for a small portion of the activities delivered by Toronto arts organizations as well as participation in those activities, LASOs significantly outperformed the average increase in both areas.

Key Performance Statistics for 2013-2016 | Local Arts Service Organizations (LASOs)

	Total (% of total)	Average Increase from Previous Year (overall average)
Public activities delivered	1,400 (1%)	13.7% (6.1%)
Attendance at public activities	553,000 (0.9%)	15.4% (5.5%)

⁷ Includes organizations reporting in CADAC. Excludes project or strategic grants provided to organizations that do not receive operating funding and thus are not captured in CADAC. Average yearly increase calculated based on the sum of statistical data for organizations that reported a non-zero value for each statistic in both consecutive years being compared.

Toronto Arts Council (TAC)

The increased allocation to TAC resulted in a 73% increase to project grants, a 61% increase to grants to individual artists and a 34% increase to operating grants. TAC allocated funding to an average of 284 first-time recipients per year from 2013 to 2016, a significant increase from the 69 recipients that were new to the Council in 2012.

Several new strategic initiatives were launched through the period, and funding through that stream reached \$3.7 million in 2016. Increased funding allowed TAC to implement new strategic initiatives based on the findings of community consultations in 2009:

- Open Door funding allocations totaled \$1,780,000 between 2014 and 2016, and encouraged organizations to bring forward big ideas that do not fit neatly into existing grant programs.
- Targeted Enhancement Funding provided \$1,125,000 over the four years to help established organizations expand their arts activities outside of the downtown core.
- Performing Arts Facilities Support distributed \$150,000 in 2015 and 2016 to organizations managing cultural spaces and making these assets available to other arts groups.
- Other programs made new spaces available for cultural programming – Artists in the Library received \$700,000 over four years while Animating Historic Sites received \$558,000. Both prioritized arts outside of the downtown core. Moreover, Animating Toronto Parks built on the success of these programs to introduce \$329,000 in support of outdoor activities in 2016.

TAC's operating grants were essential to capacity building among arts organizations:

- 30 new organizations entered the operating grants stream from 2013 to 2016, and many represented new and emerging artistic practices.
- Organizations established after 2008 made up 30% of new operating grant recipients, demonstrating a slow shift, but a shift nonetheless, in funding allocations to newer organizations.
- Total operating funding requested increased by over 40% between 2012 and 2016. While it resulted in an increase in demand, the oversubscription of operating funds requested by eligible organizations from TAC in 2016 rose only to 16% - up from 11% in 2012.
- Operating grants to organizations with operating budgets of less than \$250,000 increased by 56% from 2012 to 2016, while funding to the largest organizations grew substantially as well, although in percentage terms by a more modest 30%.
- The smallest organizations (with an operating budget of less than \$100,000) received the greatest increase in funding, with a 95% increase from 2012 to 2016 – albeit from a very small base.

Project grants accounted for the largest proportional increase to funding among TAC's existing grant programs.

- Demand for project funding continued to increase but at a slightly slower pace than the allocations. In 2016, TAC did not fund 60% of project funding requested (by dollar amount), down from 64% in 2012.
- From 2012 to 2016, the number of projects funded (regardless of the grant amount allocated), grew from 204 to 268 (a 31% increase). At the same time, the number of project grant applications received grew by 42%, and the percentage of applications not approved for project funding increased from 49% in 2012 to 53% in 2016.

- Project funding enabled both organizations receiving operating grants, and those that did not, to realize projects that **engage artists and audiences from Toronto's downtown core** as well as the inner suburbs. These grants also allowed new organizations to begin to develop the capacity required to deliver arts programming on a more regular basis and move toward eligibility for annual operating support

Support for artists remains at the core of creative production in the city, and the increases to TAC's grant allocations to individual artists have allowed more artists to develop larger artistic projects.

- From 2012 to 2016, the number of individual artists that applied for funding from TAC grew from 943 to 1,160 (a 23% increase). The number of approved applications only increased by 5%, showing that TAC supported relatively larger artist requests.

Culture Build Investment Program (Culture Build)

Between 2013 and 2016, 39 organizations received Culture Build funding, receiving grants that ranged from \$4,000 to \$100,000, with an average grant amount of approximately \$30,150, and covered anywhere from 3% to 53% of the total project budget.

- Over the study period, the Culture Build program received requests for nearly \$2 million, of which the allocated amounts covered approximately 60%.
- Culture Build supported the **City's objective to increase arts activity outside the downtown core** – organizations operating outside the downtown core received 26% of total funds allocated and accounted for 23% of grant recipients.
- As a result of Culture Build grants, arts organizations have been able to increase internal capacity, expand their programs and better serve their communities.
- **Arts organizations appreciate the City's** support for state of good repair through re-introduction of the program. However, consultations revealed that while this program is one tool in a suite of municipal initiatives to ensure supply and sustainability of cultural spaces, the grant amounts are too small and mandate too narrow to address the urgent and larger-scale facilities-based challenges faced by the sector.

Summary of Findings and Conclusions

While the outcomes of increased funding have been highly beneficial to Toronto's arts community and residents, the expectations may have been higher for a 61% increase. It should be noted, however, that during this period, other public funding components of the arts ecosystem decreased, and the increase from the City only began to make up for many years of stagnant funding and increasing costs. Therefore, it is apparent that **Toronto's** artists and arts organizations would have faced serious financial challenges if the City had not made this investment.

Furthermore, the City's leadership in increasing funding, which itself was a response to a strong appeal by a coalition of stakeholders in the arts community, led the way in terms of once again acknowledging the importance of a well-supported culture sector. Other public funders followed suit to increase support for the arts.

Finally, given the priorities set by the City for this funding increase, its full impacts have yet to be seen. As the **city's arts organizations** begin to recover from years of inadequate and inequitable funding to build internal capacity, grow their teams and feel more secure in meeting their financial obligations, they can finally begin to think in terms of expansion and innovation. As new arts programming begins to be introduced more and more to underserved regions of the city, engagement levels will

increase. The City's **decision to raise its level of investment in the arts was catalytic** – it will be important to continue responding to the needs of the sector and build on the momentum of these four years.

Looking Forward: Observations and Recommendations

As noted above, the extra funds provided to arts organizations appeared to have had a positive impact on many levels. Further investment in these organizations would help sustain the momentum and help the City more completely achieve its priorities. While it is not part of the mandate of this assignment to recommend increasing budgets, there are some directions that could be considered, if new funds were to become available. These directions include:

- **Supporting organizational sustainability**, through an optimized operating grant structure that provides more opportunities for emerging and diverse organizations to build capacity through longer-term support, and other structural interventions (such as talent development and shared services) to strengthen overall ecology of the arts sector.
- **Focusing on diversity**, by introducing more clear and measurable diversity requirements for grant recipients across all cultural grant programs.
- **Supporting collaboration and knowledge-sharing across the sector**, by providing resources to emerging community-focused organizations that respond to the needs of specific communities, so that expertise can be shared with peer organizations that are trying to better understand specific community needs.
- **Encouraging international exchange and engagement**, by supporting the recognition of Toronto as a cultural hub across the country and abroad, and reinforcing Toronto as a cultural destination.
- **Addressing the space challenge**, by continuing to support cultural spaces and bringing together stakeholders who can collaborate to address the crisis.
- **Focusing on collective impact within the broader arts funding landscape**, by galvanizing the arts community in the city to become more effective in taking advantage of provincial, and especially federal, funding opportunities, and collaborating with other funders.
- **Addressing allocation issues, sources of new funding and communication of objectives**, by clearly communicating the objectives of the City, and the evidence supporting the structure of grants allocations.

Through the course of this study, several data gaps and limitations constrained the ability to capture **and report on the full picture of how Toronto's arts sector has changed and** the challenges it continues to face. Furthermore, the arts continue to compete for public and private funds against other social causes and services, many of which benefit from more established and direct methods of impact measurement.

The City, TAC and the sector overall would benefit from a new vision and framework for measurement and impact analysis, one that is consistent, reliable and equips the community to make a stronger case for ongoing investment in the arts. This vision and framework could include the following elements:

- **Defining success**, and developing a common and consistent measurement framework that goes beyond the *volume* of activity delivered by arts organization and the level of *engagement* by audiences (as currently measured through CADAC), to consider the *depth* of engagement. Specific gaps in measurement are related to the impacts of collaborative initiatives, diversity (in programming, staff and governance).
- **Improving Data Collection and Analysis Tools and Processes**, including better understanding of CADAC data quality and development of tools that will help organizations and the sector overall understand the social and cultural benefits of its activities.
- **Benchmarking**, by comparing with more recent data from other municipalities, re-examining Toronto's position as related to other large urban centres across Canada and internationally, and setting reasonable and meaningful targets (e.g., participation per dollar invested) that are updated on an ongoing basis.

As a final recommendation, a City that has not quite fulfilled the target of \$25 per capita directed toward the arts could boost its funding of the arts to meet that objective. While the senior levels of government have committed more funding for the arts – after years of stagnant funding – it is not **funding whereby arts organizations in Toronto will automatically gain their “share.”** Arts organizations will need to make compelling applications to public funders, and the City should encourage them to do so. If that is done, the continuing investment in the arts by the City will be rewarded by renewed vigour in the arts in Toronto.

1. Introduction

In 2013, and then again in 2014 and 2016, the City of Toronto significantly boosted its allocations to arts and cultural grants. In fact, by 2016, annual investment in culture through the grants was 61% higher than it had been in 2012. As a result, **Toronto's culture** sector received a significant infusion of new funding through the Toronto Arts Council (TAC), as well as directly from the City through the Culture Build Investment Program (Culture Build) and grants to Major Cultural Organizations (MCOs), Local Arts Service Organizations (LASOs) and other recipients through budget line items.

The City made a commitment in 2003 to reach a \$25 per capita target for net direct investments in arts and culture. It is now on track to achieve this target by 2018. As it looks back on the significant increases to grants between 2013 and 2016, the Economic Development and Culture Division (EDC) decided that it is timely to review the impact of this new funding and assess the degree to which it met **the City's** overall strategic and policy objectives.

1.1 Mandate

Following a competitive tendering process, Nordicity was selected to conduct an evaluation of the increases to City cultural grants between 2013 and 2016. The scope of the study was to assess, in quantitative and qualitative terms, the incremental impacts of the new funding (using 2012 as a baseline). The assessment was guided by six priority objectives, developed as part of the *Creative Capital Gains* report and subsequent stakeholder consultations, on which Council based its **endorsement of funding increases. The City's objectives with the increased grants were:**

1. Arts activity outside the downtown core: increasing the availability of programming in areas outside of the pre-amalgamation City of Toronto encompassing Etobicoke, York, North York, East York and Scarborough.
2. Opportunities for young and emerging artists: increasing opportunities for artists practicing professionally for less than ten years.⁸
3. Partnerships: increasing collaborations between multiple artists and organizations, between organizations and other parties contributing funds or resources in kind, or among multiple organizations, joining forces to realize a particular initiative.
4. Opportunities for youth and community arts activities: increasing opportunities for arts engagement with programming that has a youth or community focus. Youth is defined as anyone under the age of 29. Community arts spans a range of art practices that involve collaboration between professional artists and community members.⁹
5. Increased organizational capacity: supporting arts organizations, particularly those that are small or medium-sized, to increase internal capacity, including in terms of management, human resources, program development, fundraising, digital literacy, or in other areas depending on the arts organization.
6. Improved cultural spaces: investing in the improvement of physical facilities.

⁸ Definition taken from Canada Council's *Arts in a Digital World* study.

⁹ Definition adapted from TAC Community Arts Grants.

Nordicity's assessment of these priority objectives focused on outputs as well as outcomes:

- Outputs include the most immediate results, with indicators such as the overall distribution of grants, the number of programs delivered, and attendance figures measured through quantitative analysis.
- Outcomes include the intermediate consequences of the funding increase, with indicators **developed for each of the City's** six priorities, and assessed through qualitative analysis.

Neither outputs nor outcomes are directly and exclusively a result of increased funding (attribution is discussed in further detail in Section 1.2). Also, while individual programs, initiatives, and institutions were reviewed, the purpose was not to assess the merits of any one specifically, but rather examine **aggregate progress toward the City's goals**.

Nordicity was also asked to develop recommendations on areas to consider for future allocations and tracking of City investments through cultural grants. Recommendations included in this report address:

- New directions for new funding (were it to become available) **to maximize the City's** impact on the economic, social and cultural vitality of the city, including factors that could be considered in the development of any changes to funding allocations and priorities; and,
- Areas where improved measurement and evaluation by the City could better inform future evaluation and decision-making.

Nordicity's evaluation was based on analysis of quantitative and qualitative data, primarily from Canadian Arts Data/Données sur les arts au Canada (CADAC) and stakeholder interviews. A full **description of the study's methodology is provided in Appendix A**. A list of interviewees is presented in Appendix B.

1.2 Data Limitations

It should be noted the quantitative analysis of CADAC data does not capture the entirety of cultural grants beneficiaries, as the database only includes entries by arts organizations that receive ongoing operating funding from the City or TAC. In combination, grant recipients included in the CADAC data account for an estimated 77% of overall grants distributed over the four-year period. The remainder comprises individual artists receiving grants directly from TAC, as well as organizations not receiving operating funds but are supported through project grants, state of good repair support, or investments in strategic initiatives.

CADAC data has some additional limitations in terms of accuracy and reliability – all financial data is audited, but statistical data is self-reported. As a result, there was some evidence that organizations may have interpreted statistical line items differently. For example, the number of attendees reported by one organization do not necessarily represent the same unit of attendees reported by another organization - one organization may count only paid, ticketed attendees, whereas another may report on estimated attendance to a street festival in the same line.

Furthermore, geographic distribution of funding, presented in the form of maps throughout the report, does not include grants to individual artists.

1.3 Attribution of Impact

There are many variables that contribute to the effectiveness and sustainability of Toronto's arts community. The city's artists and cultural organizations depend on a range of revenue sources to fund their projects and in the case of organizations, their operations. **The City's cultural grants are one part of this broader landscape of support:**

- Within the public funding ecosystem, **the City's contribution ranges from very marginal (as noted for MCOs in Section 4) to very significant (the case for LASOs as described in Section 4.2 and many of TAC's strategic initiatives as described in Section 4.7).**
- The level of support from private sources can also vary, depending on the capacity of an organization to develop and maintain relationships with donors, or make a case to sponsors or foundations (as discussed in Section 2.3.2).

The sector is also influenced by other external factors, such as:

- Economic and demographic shifts (as noted in Section 2.2); and,
- Audience demand for arts programming, including changing habits in cultural consumption, and more generally, **increased competition for audiences' time and money**, particularly with the plethora of online platforms through which information, culture, and entertainment are now delivered.

With these other drivers in mind, it is important to note that the impacts presented throughout this report are certainly not entirely or exclusively attributable to the increased funding by the City. As a starting point, the level of attribution could be considered based on the proportion of the total funding for the organization/**project/initiatives that comes from the City's cultural grants. These proportions are discussed individually for each granting program.**

As the impact of each recipient organization is influenced by a unique combination of factors, this report does not assess the degree of attribution of the consequences that could be claimed by the increased funding. Rather, it aims to capture the aggregate outputs of the funded organizations and activities, as well as the outcomes in relation to **the City's six stated priorities**. To the extent possible, the report also comments on the specific effects of the funding on different segments of the sector – MCOs, LASOs, and Culture Build and TAC grant recipients.

1.4 About this Document

This report presents the results of the evaluation in six parts:

In Section 2, the funding increases are presented within the historical context of the **City's cultural grants**, the broader ecosystem of public and private support for culture, and the demographic and economic landscape of Toronto. In so doing, it provides the multiple exogenous factors that, in **combination with the City's support**, may have contributed to the outputs and outcomes.

In Section 3, the impact of the increases is presented as it relates to each of the six key priorities.

In Section 4, the contribution of each granting program toward the achievement of the six priority objectives is examined.

In Section 5, findings from previous sections are summarized.

Finally, Section 6 proposes factors that could be considered in the development of future directions in funding, as well as opportunities for improved measurement and evaluation.

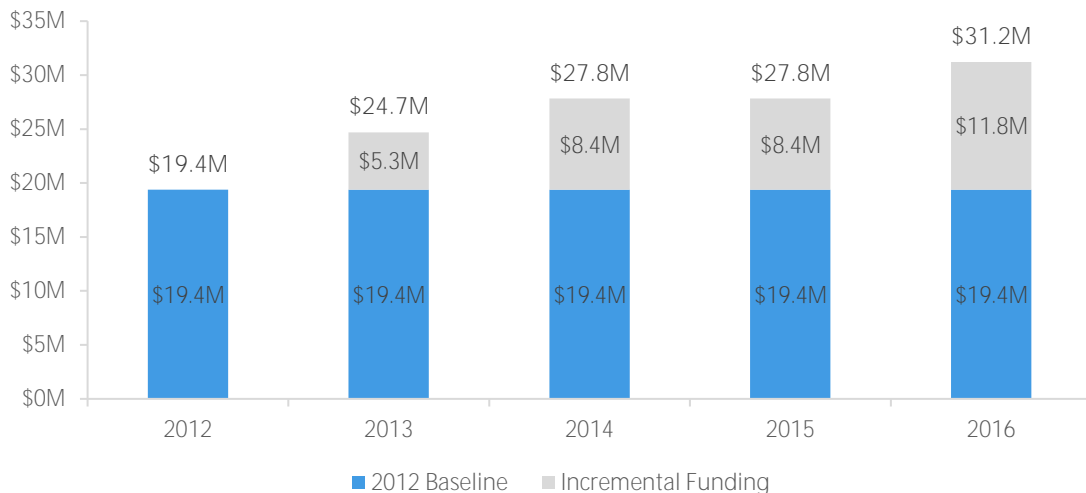
2. Context for the Increases to Culture Grant Programs

This section sets up trends in municipal arts funding prior to and during the increase to cultural grants. It starts with an overview of the City's **policies and programs to support the arts in the lead up** to the new funding. It also summarizes social and economic changes in the city between 2012 and 2016. Finally, it situates these local conditions relative to funding for the arts from other levels of government and private sources.

2.1 Overview of the Increases

Between 2012 and 2016, the City of Toronto's budget for cultural grants increased by 61%, from \$19.4 million to \$31.2 million. This funding was distributed through a range of initiatives led by both EDC and TAC. Figure 1 shows the incremental changes to the total cultural grants budget during this period.

Figure 1: City of Toronto cultural grants budget, 2012-2016



Source: City of Toronto

Several previous initiatives set the scene for this significant increase. In 2003, City Council approved *A Culture Plan for a Creative City*, which included a per capita funding target of \$25 dollars for the arts. The goal was to reach this level of funding by 2008.¹⁰ However, the target still had not been achieved by the time *Creative Capital Gains* was released in 2011, though the need to continue to work toward it was reaffirmed.¹¹ While the City has maintained its commitment to this goal, and is on track to meet

¹⁰ Toronto Arts Council, "Arts Funding Increase in Toronto" <http://www.torontoartscouncil.org/advocate/arts-funding-increase-in-toronto>

¹¹ City of Toronto, *Creative Capital Gains: An Action Plan for Toronto* (2011) https://www1.toronto.ca/static_files/economic_development_and_culture/docs/Sectors_Reports/creative-capital-gains-report-august9.pdf

the target by 2018, the target itself has not been updated since 2003, neither to reflect inflation nor to benchmark against more recent levels of municipal funding for arts and culture in other jurisdictions.

2.2 Demographic and Economic Shifts

Alongside the evolution of arts funding, the social and economic landscape of Toronto changed during the study period. Although the city's population is growing, seniors outnumber young people for the first time. Moreover, new development is concentrated in the downtown core, but children and youth are more likely to live in other parts of the city. Rising real estate costs also pose serious challenges, especially in comparison to income levels.

2.2.1 Population Growth

Statistics Canada data reveals that between 2011 and 2016, the population of the City of Toronto increased by 4.5%. However, this population growth was not evenly distributed throughout the city. Instead, approximately half of the growth was concentrated south of Bloor, between Victoria Park Avenue in the east and the Humber River in the west. This trend suggests that the Community Council areas of Toronto and East York are growing faster than other areas. Some of the highest growth neighbourhoods include the Waterfront, the Bay Street Corridor and Moss Park.¹²

In contrast, many areas in the inner suburbs experienced negative population growth. The areas with the greatest decrease in population include Weston-Pelham Park, Malvern and Agincourt North. In the context of the evaluation of the impact of increased cultural grants, it is important to note that although measuring the impact of arts activities outside of the downtown is a key objective, population growth has not been as much of a factor for the inner suburbs. Nonetheless, the relatively minor population shifts do not negate the initial rationale for a focus on neighbourhoods in Etobicoke, York, North York and Scarborough, which continue to be underserved from the perspective of arts programming and cultural spaces.

2.2.2 Demographics

Like much of Canada, Toronto is home to an aging population. The most recent census data indicates that, for the first time, there are more people over the age of 65 than under 15 living in Toronto.¹³ Whereas in 2011, 15.4% of the population was under 14 and 14.4% was over 65, in 2016 these demographics reversed so that 14.6% are under 14 and 15.6% are over 65.

However, engaging children and youth in the arts is essential to promoting their participation in the sector in the future, as artists, audiences and advocates. As a result, providing increased opportunities for both young artists to create, and youth to participate in, cultural activities relevant to them as audiences are explicit objectives set out by the City for this increased funding. Furthermore, the geographical distribution of children and youth throughout the city reinforces the City's additional focus on opportunities for young people and neighbourhoods outside the core. Specifically, children are found in pockets throughout Toronto but make up a much smaller proportion of the population downtown. Moreover, youth ages 15 to 24 are concentrated near the campuses of York University

¹² City of Toronto, 2016 Census: Age and Sex: Type of Dwelling.

¹³ Ibid

and the University of Toronto. Taken together, demographic data suggests that although the downtown is the fastest growing part of the city, it is important to reach children and youth living in other neighbourhoods.

Census data also reveals that Toronto continues to be a highly-diverse city, home to numerous languages and cultures. The prevalence of non-official languages as mother tongues of Toronto residents remained steady over the course of the study period. In 2011, 44.6% of Torontonians reported a first language other than English or French, compared to 43.9% in 2016.¹⁴ The most common unofficial languages spoken at home were Mandarin, Cantonese, Tagalog, Tamil and Spanish. Moreover, multilingualism became more common, with 9.1% of Torontonians reporting speaking more than one language at home in 2016, compared to 7.1% in 2011. Toronto is also home to **Canada's fifth-largest** aboriginal population,¹⁵ which grew by 19.7% from 2011 to 2016 and made up **0.8% of the city's population**. **Toronto's aboriginal community** is also relatively younger, with 54% under the age of 35 (compared to 44% overall).¹⁶ These figures confirm that diversity is a fact of life in Toronto and reinforce the importance of creating cultural opportunities that reflect the lived experiences and backgrounds of residents.

2.2.3 Housing and Real Estate

In addition to a growing population, Toronto has also seen increasing housing and real estate prices over the course of the study period. Statistics Canada reports a 6.2% increase in occupied private dwellings between 2011 and 2016. Almost all (98%) of the net increase consisted of apartment buildings taller than five stories.¹⁷ Moreover, most of the new buildings are located in the downtown core, especially south of Queen Street and along the Bay Street Corridor. These construction trends are consistent with the trend reported above about increasing concentration of population growth downtown.

As buildings get taller and units get smaller, real estate prices are also increasing. Residential real estate prices increased 58% between 2012 and 2016.¹⁸ With many artists struggling financially, affordable accommodation has become an acute problem.

Moreover, while housing may be a concern for cultural workers, arts organizations are more directly impacted by increasing facilities expenses. Commercial and retail real estate prices went up 140% to 150% between 2012 and 2016, with the greatest increase seen downtown.¹⁹ These trends create challenges for arts organizations, which struggle to secure appropriate spaces to create, produce and share work.

¹⁴ City of Toronto, 2016 Census: Families, households and marital status: Language.

¹⁵ Statistics Canada, Aboriginal Peoples Highlight Tables, 2016 Census, by census subdivision. Winnipeg, Edmonton, Calgary and Saskatoon are the four Canadian cities with larger aboriginal communities.

¹⁶ Statistics Canada, Aboriginal Peoples Highlight Tables, 2016 Census, by census subdivision.

¹⁷ City of Toronto, 2016 Census: Age and Sex: Type of Dwelling.

¹⁸ The Canadian Real Estate Association, MLS Home Price Index <http://www.crea.ca/housing-market-stats/mls-home-price-index/hpi-tool/>

¹⁹ Toronto Real Estate Board, Commercial Realty Watch http://trebcommercial.com/public/comwatch/com_back/2012/index.htm

2.2.4 Employment and Education

From an employment perspective, Toronto is experiencing rising employment as well as an increase in part-time work. Between 2008 and 2016, employment among Toronto residents grew by 7.5%, compared to 5.9% for Ontarians overall.²⁰ In 2016, the unemployment rate was 7.6%. However, growth in full-time work lagged that of part-time work. While full-time employment grew 6.4% between 2008 and 2016, part-time work grew twice as fast at 12.8%. Furthermore, although the mean weekly wage has increased in nominal terms, the rising ratio of mean to median wage indicates greater income inequality. For instance, in 2016 the mean weekly wage was \$961.24 but the median weekly wage was \$829.40.

Toronto is also home to a highly educated workforce, as half of Torontonians have a university degree. Consistent with this concentration of academic qualifications in the sector, Toronto is also a centre of employment in arts and culture. The 2011 National Household Survey indicated that more than 22,000 Toronto residents worked in the arts. This figure accounts for 17% of all arts workers **nationally. Culture is also a key driver of the city's economy.** While NHS data on arts workers focuses on fine arts disciplines such as dance, music and visual arts, the City of Toronto takes a broader definition of culture. Specifically, the culture sector encompasses publishing, broadcasting and design as well as artists, writers and performers. According to EDC, approximately one in ten jobs in Toronto are in the culture sector - more than 164,000 people in 2016.²¹

Although Toronto currently accounts for more than half of all employment in the culture sector across the province, there is a risk of displacement among artists and arts professionals as the increasing unaffordability of space to live and work pushes people to look for opportunities elsewhere.

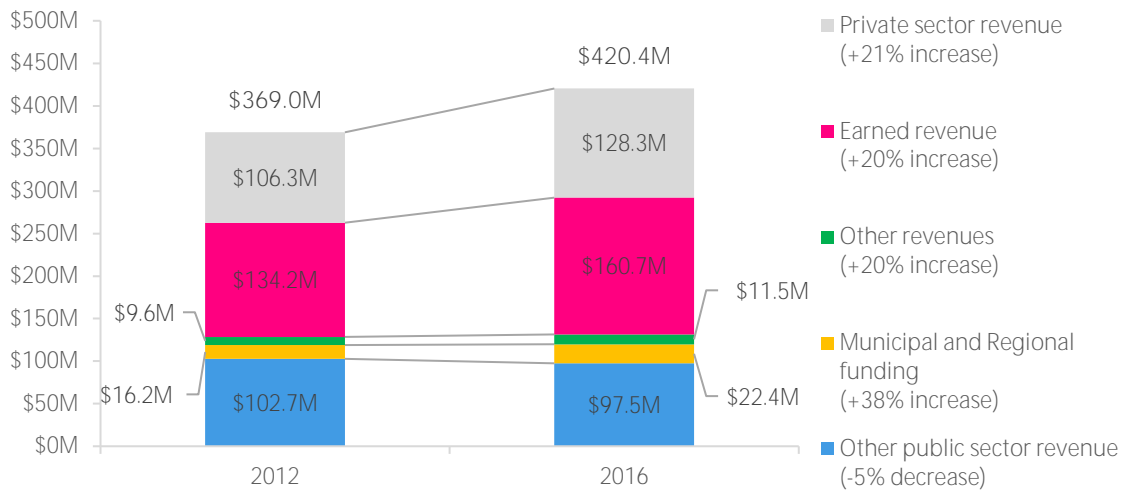
2.3 Support for the Arts

This section provides an overview of public arts funding locally, provincially and municipally as well as trends in support from corporations, individuals and private foundations. Artists and arts organizations in Toronto can receive funding from three different levels of government, as well as leverage public grants to secure private and non-profit support ranging from individual donations to corporate sponsorships and foundation support. Figure 2, below, shows an overview of how funding from these sources (as well as earned revenue) changed between 2012 and 2016.

²⁰ City of Toronto, Appendix A: Economic Development and Culture Trends in Toronto – Data Analysis.

²¹ Ibid

Figure 2: Sources of revenue for Toronto arts organizations²²



Source: CADAC

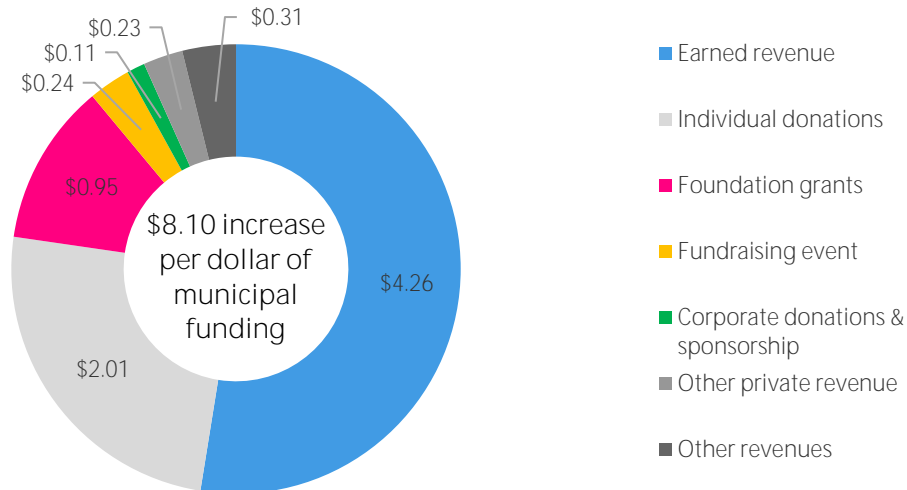
As shown above, the increase to cultural grants from the City (included as part of “municipal and regional funding”) occurred during a period where revenues from other levels of government declined by 5%. However, arts organizations managed to bring in more earned revenue – a 20% increase in combined earnings from sources such as admissions, ticket sales, rentals, sales, distribution and membership fees. At the same time, organizations were able to secure more private sector support (up 20% from 2012 to 2016), including in the form of sponsorships, donations, private foundation grants, and in-kind goods and services and through fundraising events.

When assessed in relation to the increased municipal support, CADAC data reveals that each incremental dollar of municipal and regional funding was related to \$8.10 of increased earned revenue and private support.²³ More than half (53%) of this amount is accounted for by increased revenues, while individual donations doubled per dollar of increased municipal funding.

²² Does not include organizations that did not report to CADAC.

²³ Notes: As noted, non-municipal public-sector revenue is not included in this analysis, as it saw a decline from 2012 to 2017 and is likely more reflective of the decisions of different levels of government, rather than the capacity of organizations to pursue support. Including public sector revenue would show a \$7.26 increase in revenue per dollar of municipal funding.

Figure 3: Increased earned revenue and private support for Toronto arts organizations, per incremental dollar of municipal funding²⁴



Source: CADAC

The trends in public and private funding are presented in further detail in the sections that follow.

2.3.1 Public Funding

Overall, between 2012 and 2016, Toronto arts organizations’ revenues from other levels of government declined by 5%. These other sources of public funding include:

- At the **local level, Toronto’s arts community** benefits from TAC grants as well as direct support from the City through EDC.
- Provincially, the Ontario Arts Council (OAC), the Ministry of Culture, Tourism and Sport (MTCS) and the Ontario Trillium Foundation (OTF) all contribute to creative opportunities.
- Nationally, the Canada Council for the Arts and the Department of Canadian Heritage also provide funding for operations, projects and spaces.

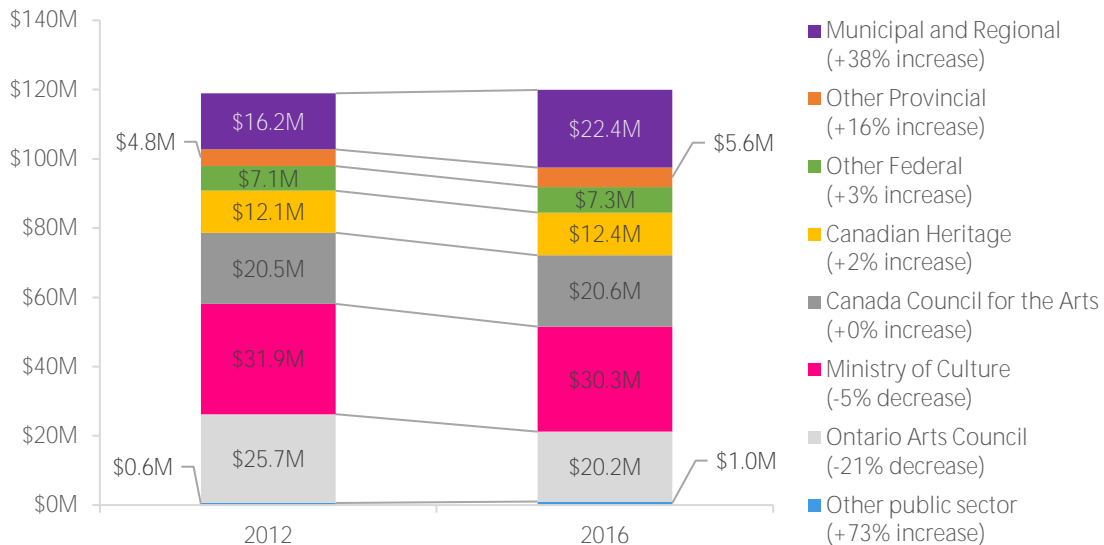
Figure 4 shows the level of public funding (by source) received by Toronto arts organizations that report to CADAC. As can be seen, municipal and regional funding sources increased by 38% over the course of the study period.²⁵ In contrast, there were declines across several public funding bodies – a 21% decrease in funding from the **OAC** and a 5% decrease from **“the Ministry of Culture,”** which in the

²⁴ **Municipal funding** is understood as “Total municipal or regional public revenues” in CADAC. Other revenues include Net investment income, Parent organization contribution and Stabilization organization contribution. Does not include organizations that did not report to CADAC.

²⁵ While this line item in the CADAC financial forms includes funding received from the City and/or TAC, it may also include operating or project revenues received from other local or regional entities (e.g., Economic Development Centre). While these amounts could not be disaggregated, it is believed that the total municipal and regional grants present an adequate proxy for City cultural grants as compared to other public funding sources.

Ontario context includes funding through MTCS as well as OTF. Federal support remained relatively constant over the period.

Figure 4: Public funding received by Toronto arts organizations that reported in CADAC, by source, and % increase for each between 2012 and 2016



Source: CADAC

Federal Funding

Nationally, the Canada Council for the Arts and the Department of Canadian Heritage are the two main sources of arts funding. Interviews indicate that the Department of Canadian Heritage's primary contribution is to festivals, performing arts and cultural facilities. In 2016, the federal government announced an additional \$168.2 million of investment in the Canada Cultural Spaces Fund (CCSF) over two years.²⁶

CCSF is unique as a support for cultural spaces in Toronto. Although the Canada Council for the Arts and the Ontario Arts Council both recognize the challenges faced by organizations that operate their own facilities, neither body offers specific grants to meet these needs. In fact, there is no standing cultural infrastructure program in Ontario. Moreover, interviews indicated that the **City of Toronto's** Culture Build program plays a small role in relation to the size of the problem, given its mandate to exclusively support state of good repair.

In this context, it is a significant limitation that the Department of Canadian Heritage funds only a maximum of 25% of any budget, including for CCSF projects. Even with increases in municipal funding, arts organizations struggle to find the remaining 75% of the budget for initiatives to improve cultural spaces. Essentially, observations from multiple levels of government and other stakeholders suggest that the City of Toronto could play a role in filling the gap in support for cultural spaces.

²⁶ Government of Canada, "Cultural Spaces Fund" <https://www.canada.ca/en/canadian-heritage/services/funding/cultural-spaces-fund.html>

As Table 1 below shows, the Canada Council for the Arts did not receive a funding increase over the course of the study period. However, interviews revealed that it did make some cuts to operating grants to support market access initiatives and other strategic objectives. Despite limited resources, the Canada Council for the Arts maintained its commitment to supporting new grants recipients (among both organizations and individual artists) and funded slightly more first-time grant recipients in 2015-16 compared to 2012-13.

Table 1: Grant allocations, Canada Council for the Arts

	2012-13	2013-14	2014-15	2015-16
Total Allocation to Grants	\$153,400,000	\$153,600,000	\$155,100,000	\$157,400,000
Organizations Funded	2,241	2,185	2,225	2,219
Individual Artists Funded	1,925	1,903	1,953	2,055
New Funding Recipients (organizations and artists)	1,016	949	1,059	1,127

Sources: Canada Council Annual Reports 2012-13 to 2015-16

The Canada Council for the Arts also developed a new funding model, formally announced in 2016. The restructuring reduced the number of programs from over 140 to six broader, more flexible streams. This approach places less emphasis on distinct disciplines and encourages partnerships and collaboration. The transformation of the Canada Council for the Arts is supported by a significant influx of funding. In 2016 the **federal government committed to doubling the organization's budget** over five years.²⁷ This investment has also allowed the Canada Council for the Arts to introduce a Digital Strategy Fund. Unlike grant programs, the fund is flexible and will adapt to the interests of applicants while encouraging them to integrate new technology into all aspects of their activities. The Digital Strategy Fund alone represents \$88.5 million available to arts organizations across Canada between fall 2017 and spring 2021.

In addition to digital transformation, access to international markets is also a priority for various arts funders. The federal government has announced steps toward the modernization and expansion of the PromArt and Trade Routes International cultural promotion programs, and the Canada Council for the Arts and Ontario Arts Council have programs to support the engagement of international markets and audiences. Interest on the part of all of these bodies invites collaboration from local leaders to help Toronto artists and organizations engage national and international audiences.

Toronto itself has signaled greater international engagement in recent years, including through its bid for designation as a United Nations Educational, Scientific and Cultural Organization (UNESCO) Creative City of Media Arts,²⁸ as well as the recent establishment of Toronto Global,²⁹ **the arm's length investment attraction agency that led the region's bid for Amazon's HQ2.**

Just as other funding sources encourage arts organizations to apply for the Department of Canadian Heritage programs, they also strengthen applications for Canada Council for the Arts grants. Because financial sustainability is one of the assessment criteria for the Canada Council for the Arts, evaluators

²⁷ Canada Council for the Arts, *New Investments: The future of Canada's arts sector* (14 November 2016): <http://canadacouncil.ca/spotlight/2016/11/new-investments-the-future-of-canada-s-arts-sector>

²⁸ City Council Agenda Item (May 24, 2017), <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED21.3>

²⁹ <https://torontoglobal.ca/>

look favourably on applications from artists and organizations who have already secured funding from other sources. In this way, increased municipal funding helps Toronto-based cultural initiatives be more competitive as they apply for federal support. It is too early to determine whether Toronto organizations will be more successful in taking advantage of the increased funding available through the Canada Council for the Arts.

Provincial Funding

In Ontario, the Ministry of Tourism, Culture and Sport (MTCS), OAC and the Ontario Trillium Foundation (OTF) all contribute to arts and culture activities. MTCS' primary interaction with local arts organizations is through grants for festivals and transfer payments to major institutions, such as the Art Gallery of Ontario.

OAC provides operating and project grants to both individual artists and arts organizations. Grants are organized by discipline, however the OAC also aims to support diverse creators. **The OAC's strategic plan for 2014 to 2020 focuses on six priority groups: Aboriginal artists; artists and arts organizations located in regions across Ontario; artists of colour; Deaf artists and artist with disabilities.** Whereas the City of Toronto is interested in increasing arts opportunities outside of the **downtown core, the OAC's provincial mandate means that it focuses on supporting arts outside of Toronto.**³⁰

The table below shows that, like the Canada Council for the Arts, **OAC's budget was frozen during the study period.** The increase in grants submitted between 2012 and 2016 demonstrates a growth in demand for provincial funding. However, without new resources, the OAC had limited means to respond to these applications. For this reason, some cuts were made to operating grants to support first-time grant recipients and other strategic priorities. Interviews revealed that the applications of established grant recipients were scored **in relation to OAC's priorities** on a scale of A to D. If organizations were underperforming their funding was reduced. An organization given a C would receive some reductions and an organization given a D would receive a significant reduction in funding. This approach had the double consequence of motivating legacy organizations to update their practices and making space for new initiatives despite budgetary constraints. The strategy is also part of broader shift in the balance between operating and project funding. Although a decade ago only 15% of OAC funding went to project grants, this proportion has increased to one-third. This split allows the OAC to support nimble, new initiatives while also funding established organizations and artists.

Table 2: Grant allocations, Ontario Arts Council

	2012-13	2013-14	2014-15	2015-16
Total Funding Allocated	\$52,100,000	\$52,100,000	\$52,100,000	\$50,500,000
Grants Awarded	3,576	3,571	3,563	3,586
Grants Submitted	11,797	11,821	12,245	12,027
Organizations Funded	1,076	1,095	1,078	1,125
Individual Artists Funded	1,793	1,737	1,709	1,676

Sources: Ontario Arts Council Annual Reports 2012-13 to 2015-16

³⁰ Ontario Arts Council, *Vital Arts and Public Value: A Blueprint for 2014-2020*:

<http://www.arts.on.ca/oac/media/oac/Publications/strategic%20plan/Vital-Arts-and-Public-Value.pdf>

Apart from increasing pressure on the arts councils, OTF funding trends also demonstrate how shifting priorities on the part of other funders influence Toronto's culture sector. In 2015, OTF restructured its approach to funding to prioritize certain outcomes. Up until that point, funding was distributed between four sectors: arts and culture; environment; human and social services; and, sports and recreation. Starting in 2015, OTF organized its grants around six action areas: active people; connected people; green people; inspired people; promising young people; and, prosperous people. Although some arts initiatives are included in other action areas, inspired people is the closest approximation for culture funding. As the following table shows, total funding provided by OTF decreased during the study period, but support for arts and culture also declined as a proportion of overall grants.

Table 3: Total funding allocations and grants to Arts and Culture, Ontario Trillium Foundation

	2012-13	2013-14	2014-15	2015-16
Total Funding Allocated	\$110,854,300	\$110,974,300	\$108,317,000	\$101,817,500
Arts and Culture Allocation	24%	21%	20%	16%

Source: Ontario Trillium Foundation Annual Reports 2012-13 to 2015-16

The following table shows the total amount of funding requests for arts and culture projects before, during and after the introduction of the outcome-based approach. The increase in grants requested demonstrates strong demand for provincial foundation support. However, the decrease in the amount awarded and the declining proportion of arts funding in comparison to total allocations suggests that cultural initiatives may find it challenging to articulate their objectives relative to the outcome framework that now guides OTF's funding decisions. Essentially, arts organizations have difficulty competing with other needs such as housing, employment and health.

Table 4: Arts and Culture Grants across Ontario, Ontario Trillium Foundation

	2014-15	2015-16	2016-17
Total Applications:	651	550	539
Total Funding Requested:	\$71,200,000	\$83,400,000	\$94,800,000
Total Funding Awarded:	\$21,000,000	\$15,900,000	\$7,800,000
% of All Funding Awarded	20%	16%	10%

Source: Courtesy of the Ontario Trillium Foundation

A breakdown of OTF arts and culture allocations in the City of Toronto confirms the decline in support locally. Although requests for funding grew between 2014-15 and 2016-17, the drop in successful applications demonstrates unmet demand for support among arts organizations in Toronto.

Table 5: Arts and Culture Grants in Toronto, Ontario Trillium Foundation

	2014-15	2015-16	2016-17
Total Applications:	145	135	88
Successful Applications:	42	14	14
Total Funding Requested:	\$16,836,984	\$23,607,800	\$21,722,800
Total Funding Awarded:	\$4,502,913	\$3,319,500	\$3,205,000

Source: Courtesy of the Ontario Trillium Foundation

Local Implications

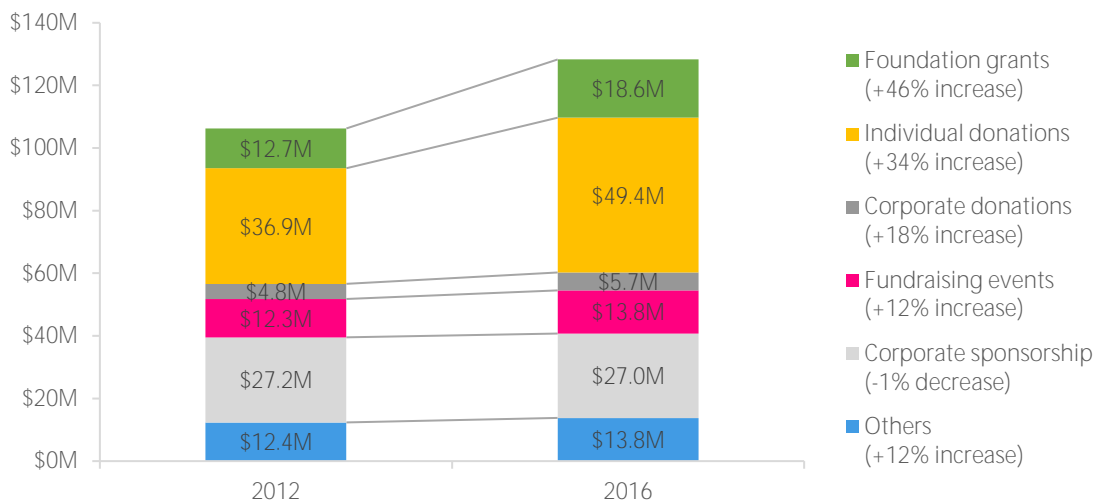
The size and scope of municipal funding sources are discussed in greater detail in Section 4 of this report. In addition to the money provided through EDC, there are also targeted programs such as StART, administered by the Public Realm Section of the Transportation Services Division, that support artistic activity in the city.

Given stable or decreasing levels of support from other levels of government, municipal grants enabled the growth of the local arts and culture community between 2012 and 2016. While the various public funders are generally very cooperative, especially around projects, there is little coordination between jurisdictions. Moreover, it does not appear that any other funders explicitly decreased their funding because of the increased role of the City of Toronto. Discussions with the Department of Canadian Heritage and the Canada Council for the Arts suggest that local funding enables organizations and artists to be more competitive when applying for federal programs. That may occur in the future as funding for the Canada Council for the Arts has increased substantially. Data further in this report show the impact or lack thereof over the study period.

2.3.2 Private Support

Public funding for the arts is complemented by a range of sources of private support, including individual giving, corporate donations and sponsorships, and grants and awards from private foundations. Figure 4 shows the changes in private funding (by source) accessed by Toronto arts organizations from 2012 to 2016. It indicates that every type of private funding except for corporate sponsorship increased during the study period. The greatest increase is seen in foundation grants, which grew by 46% from 2012 to 2016, followed by a 34% increase in individual donations, which remained the most significant source of private support in both years.

Figure 5: Private funding received by Toronto arts organizations that reported to CADAC, by source, and % increase for each between 2012 and 2016



Source: CADAC

Individual Donor Support

Trends in philanthropy nationally and provincially provide further insight into individual donor support for arts and culture in Toronto. *What Canadian Donors Want*, a 2016 report by Ipsos Public Affairs for Foundation for Philanthropy Canada (FPC)³¹ indicates that 54% of individual donors preferred donating to their local community, an increase compared to 2013 figures. In contrast, donations to charities with a national focus decreased. While only 11% of donors reported giving to arts and culture, Toronto arts organizations are mainly local, and therefore operate in a relatively more favourable environment.

Foundations

In terms of foundations, a report developed in collaboration by Imagine Canada, Grant Connect and Philanthropic Foundations Canada reveals that there are more foundations in Ontario than in the rest of the country combined.³² Ontario-based foundations also account for 62% of assets held nationally. In terms of funding for the arts by foundations across the country, 59% of them contribute to the culture sector. In addition to the assets represented by individual donors, this research suggests that Toronto-based arts organizations have more opportunities to access private support compared to cultural initiatives in other parts of the country. Two examples show specific ways in which foundations support the arts:

Each year the Metcalf Foundation provides funding to performing arts organizations through paid internships and the Creative Strategies Incubator. **Between 2013 and 2015, the Metcalf Foundation's** internship program enabled 26 organizations to hire 36 young professionals through grants totaling almost \$850,000.³³ Representatives of organizations that also received municipal funding during this period explained that **the Foundation's** support allowed them to develop organizational capacity and nurture emerging arts leaders in a way that complements public sector grants.

The Toronto Foundation also contributes to the local arts ecosystem. While arts and culture remains a proportionately small area of activity for this foundation, grants to creative causes more than doubled between 2012 and 2016 – from \$400,000 in 2011-12 to \$856,000 in 2015-16 (ranging from 5.6% to 7.7% of total grants).

In addition, several community arts organizations that receive public funding were recognized by Vital awards from the Toronto Foundation over the course of the study period. In 2016 VIBE Arts was awarded a Vital Ideas Award. Each year these awards aim to increase the capacity and reach of organizations that already have experience working toward the goals outlined in the Vital Signs Report. VIBE Arts used the \$30,000 prize to upgrade their website, thereby increasing online access to their programs and showcasing the work of young and emerging artists. A Vital People Award also **enabled Leah Houston, Artistic Director of MABELLEarts to deepen the organization's collaboration**

³¹ Ipsos Public Affairs, *What Canadian Donor Want: 2015 Survey* <http://www.afpnet.org/files/ContentDocuments/WhatCanadianDonorsWantWebinar2016March8.pdf>

³² Imagine Canada, Grant Connect and Philanthropic Foundations Canada, *Assets & Giving Trends of Canada's Grantmaking Foundations* (September 2014) <http://sectorsource.ca/sites/default/files/resources/files/trends-canadas-grantmaking-foundations-sept2014.pdf>

³³ Metcalf Foundation, *Biennial Report 2014-2015* http://metcalffoundation.com/wp-content/uploads/2016/06/Metcalf-Biennial-Report-2014-15_web_2page-1.pdf

with the global south by travelling to Nepal. imagineNATIVE received a Vital Ideas and Leadership grant from the Toronto Foundation in 2017.

In addition, the Toronto Foundation’s approach to improving social and economic conditions as articulated in its annual *Vital Signs Report* is a natural fit for community arts, and the Foundation has worked closely with City staff and TAC to incorporate arts and culture-related statistics into the report.

The ability to attract private funding is also related to organizational capacity and reach. An arts **organization’s success in securing private support is a function of many things, but sophisticated fund raising** – for donors and foundations – takes skill and time, so is more difficult for smaller organizations. Sponsorship is directly related to corporate marketing and promotion, where again those organizations with large footprints in communities they want to reach are the major beneficiaries. As such, larger, more established cultural organizations have been very successful in this endeavour. For example, Pride Toronto has managed to secure significant sponsorships, which enable major companies to engage with the LGBTQ community as customers and employees. However, for smaller organizations, securing corporate support remains a challenge. As shown in Figure 26, it has experienced the smallest increase per dollar of incremental City funding among the private and earned sources of revenue.

There is a perception among stakeholders that corporate philanthropy is difficult to secure in the city, due to the need for nurturing relationships and communicating the value of supporting the arts. Corporate support for youth or community engagement, for example, is more palatable to corporate sponsors and donors than a creative product.

In addition to its support of capacity building through financial support, City funding supports the **leveraging of private support by serving as a “stamp of approval”** – stakeholder interviews revealed that prospective private sector supporters want to see that the government is on board before they engage with an arts organization through a donation or sponsorship.

Leveraging other Investments

Showcase Program: artsVest Toronto

artsVest Toronto, a sponsorship-matching and training program delivered by Business for the Arts, is an example of a strategic initiative to help organizations secure private investment. artsVest is a national program funded by the Department of Canadian Heritage, which provides matching funds for contributions by provincial, and in some cases municipal, **partners. Since 2013, artsVest has been active in Toronto in partnership with TAC. TAC’s** investment of \$500,000 every two years is not only matched by federal funds, but generated nearly \$2.8 million in business sponsorships over the first three years of the program.

The training aspect of artsVest encompasses webinars, in-person training sessions and one-on-one support. Since 2015, artsVest has also expanded to offer mentorship. In addition to this individualized support, the program is a valuable networking opportunity, as many small and medium-sized arts organizations share similar challenges, particularly in terms of marketing and communications.

TAC funding also enabled artsVest to contribute to creative programming outside of the downtown core. Several of their events have been held in Etobicoke, Scarborough and North York. They also collaborate with the LASOs to promote opportunities in neighbourhoods across the city.

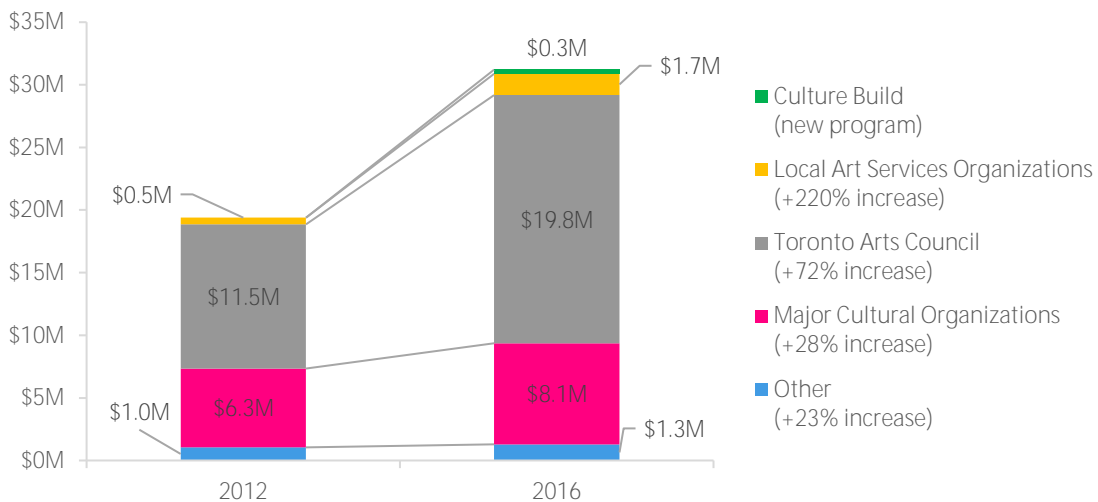
3. Overall Impact of Increases

This section presents an overview of the increase to the City’s cultural grants, and subsequently examines the overall impacts of this increase across all granting programs and in relation to each of the City’s priority objectives. For each objective, one recipient that is an exemplary reflection of its achievement is showcased. Each grant program is then discussed in further detail in Section 4.

3.1 Overview of Grants Increases

The nearly \$34 million in cultural grant increases over the four years were allocated toward several existing grant programs, as well as the re-introduction of the Culture Build Investment Program (Culture Build). As shown in the figure below, TAC continued to receive the largest portion of the City’s culture grants (63% in 2016). The largest proportional increase was in funding to LASOs. In 2016, the six LASOs received a total of \$1.7 million, up by 220% from 2012, when only four of them received a combined \$0.5 million. MCOs received a comparatively lower increase, up just 28%.

Figure 6: City of Toronto cultural grants, change in overall funding allocations, 2012 to 2016



Source: City of Toronto³⁴

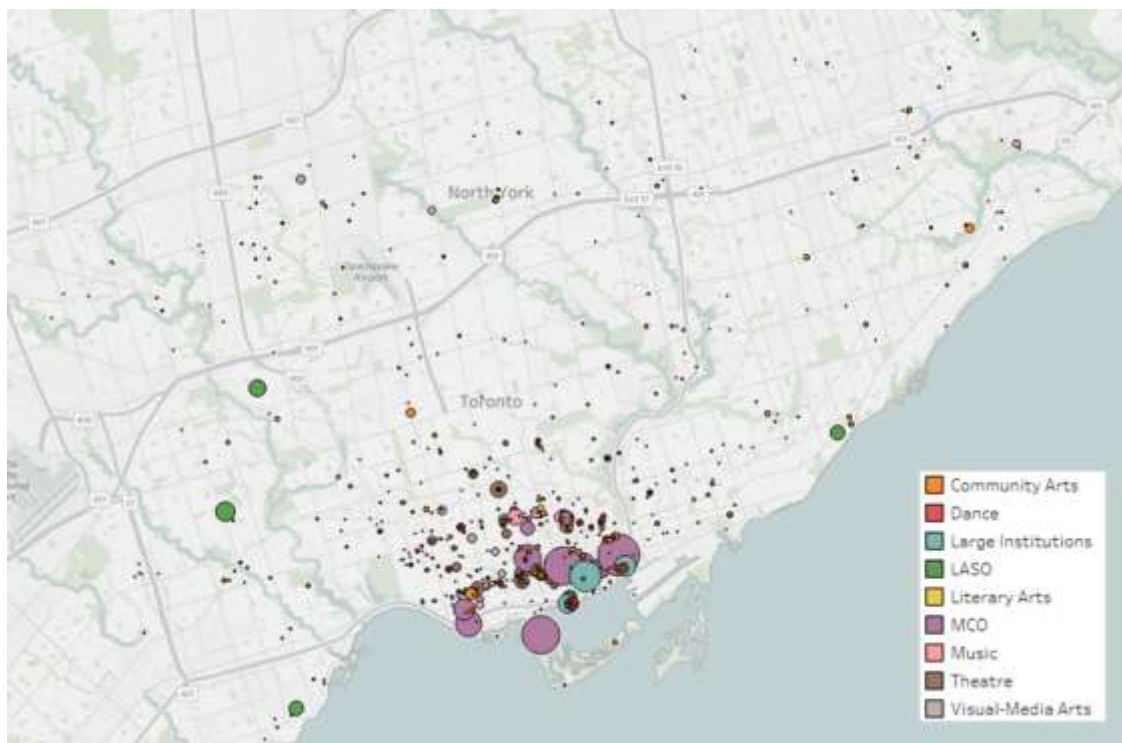
The City continued to directly provide support to a group of “other” organizations, which includes non-City-owned Museums, the Royal Winter Fair, the Glenn Gould Foundation and Music Garden. In 2016, the Design Exchange was added to this group of other organizations – the \$200,000 of support accounts for most of the increase in this category. Support was also increased to the Royal Winter Fair and Music Garden in 2016. Allocations to the other organizations remained the same over the period.

The cultural grants allocated between 2013 and 2016 were spread across the cCity, although a large portion went to projects and organizations in the downtown core. Figure 5 maps the total funding distributed during the four years, by grant program (i.e., for MCOs and LASOs) and discipline (i.e., for

³⁴ It should be noted that while Toronto Artscape Inc. (Artscape) was moved to the Major Cultural Organization (MCO) program by the City in 2013, the analysis presented in this report includes it as part of the MCO program in all years.

TAC grant recipients). The size of the markers for grant recipients reflects the relative size of grants received.

Figure 7: Map of cultural grant recipients, total funding distributed, 2013-2016³⁵



From 2013 to 2016, recipient organizations delivered nearly 115,000 public activities,³⁶ including community arts projects; film, video, or other media screenings; exhibitions; public performances; and, literary readings. This total is derived from CADAC, and as noted in Section 1.2, only covers activities delivered by arts organizations that receive ongoing operating funding from the City or TAC. Therefore, public activities related to grants to individual artists, and those enabled by some project grants, strategic initiatives, or Culture Build investment, are not included. Furthermore, the data is self-reported by organizations, who may not report on statistical line items in an entirely comparable or complete manner.

It should be noted, however, that CADAC data only represents arts organizations that receive ongoing operating funding from the City or TAC, which in combination account for an estimated 77% of overall grants distributed over the four-year period. Therefore, quantitative analysis of this data

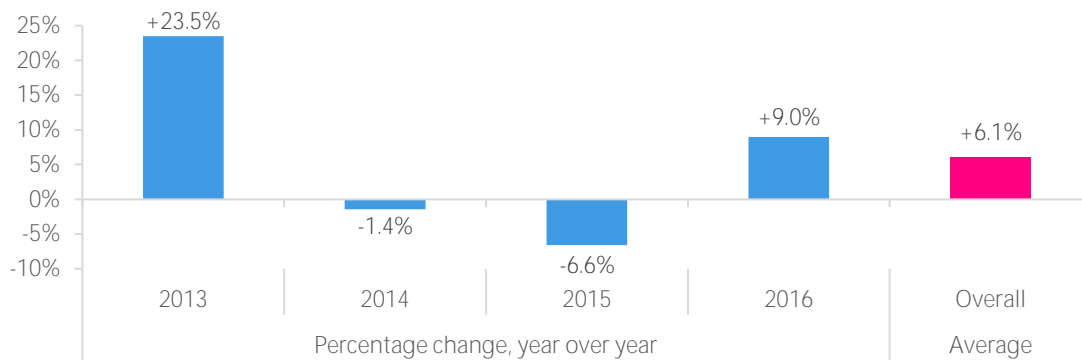
³⁵ Excludes grants to individual artists, grants that are adjudicated by partner organizations, and programs/services delivered through TAC Leaders Lab, Neighbourhood Arts Network, Artists in Schools (tdsb/Creates), artsVest Toronto and the shared charitable platform pilot.

³⁶ Does not include organizations that did not report to CADAC.

does not include the outputs related to TAC grants to individual artists or organizations not receiving operating funds but supported through project grants, state of good repair support, or investments in strategic initiatives.

The figure below shows the change in the number of activities delivered from each year to the next, for recipient organizations that reported some public activity to CADAC in each of the two years being compared (e.g., the increase shown for 2013 reflects the change in the total number of activities delivered by organizations that reported a non-zero value for that statistical line item in 2012 and 2013).³⁷

Figure 8: Year to year change in total number of public activities delivered by Toronto arts organizations



Source: CADAC

While the average yearly increase in public activities was 6.1% across the four years, there were slight declines in 2014 and 2015. The highest increase was in the first year of new funding, followed by positive changes again in 2016, showing an overall positive trend.

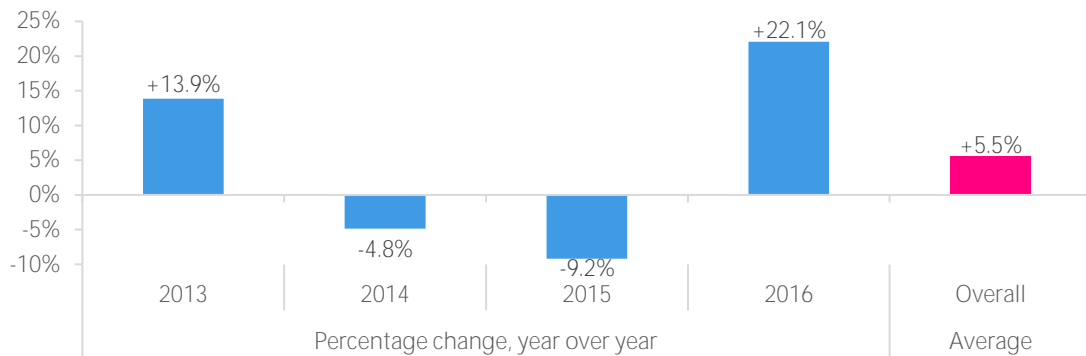
Attendance at these public events exceeded 59 million over the four years.³⁸ Again, this data is derived from CADAC and does not cover the entirety of activities that may have been supported by City grants. In addition, organizations may not always interpret CADAC statistical line items in the same way, and so the number of attendees reported by one organization does not necessarily represent the same unit of attendees reported by another organization – for example, one organization may count only paid, ticketed attendees, whereas another may report on estimated attendance to a public street festival in the same line.

Figure 9 shows the year to year change in the estimated attendance at public arts activities. Attendance trends follow those of activities delivered (shown in Figure 8) in terms of declines in 2014 and 2015. The drop in both activities and attendance in 2015 could be in part due to the volume of cultural events and other activities on offer as part of the Toronto 2015 Pan Am and Parapan Am Games.

³⁷ Note: The percentage increase displayed in this chart (and other similar charts throughout the report) are calculated based on figures reported in CADAC by organizations that reported some activity in each of the two consecutive years compared. Project grant recipients are not included in cases where the organization does not report in CADAC.

³⁸ Does not include organizations that did not report to CADAC.

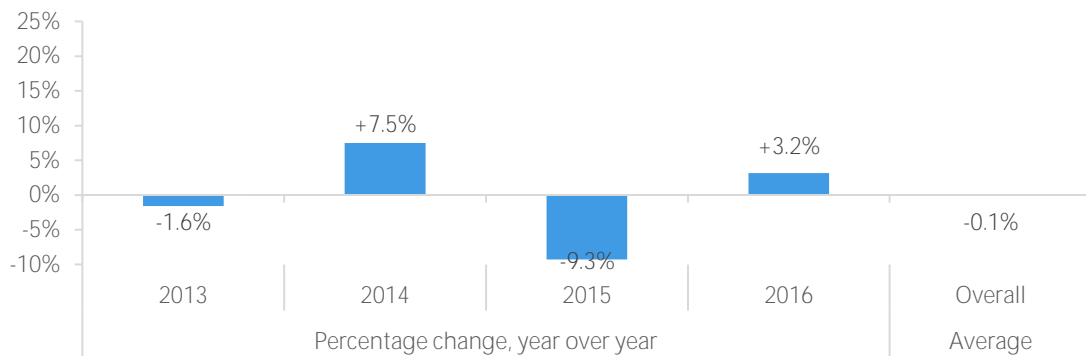
Figure 9: Year to year change in total attendance and participation at public activities



Source: CADAC

Recipient organizations also engaged individual artists in the course of delivering programming. From 2013 to 2016, artist interactions (i.e., artist engagements with an organization where they were paid fees or salaries) totaled nearly 80,000.³⁹ Year to year changes varied over the period, but on average the level of artist engagement remained the same.

Figure 10: Year to year change in total number of artists engaged by Toronto arts organizations (paid fees or salaries)

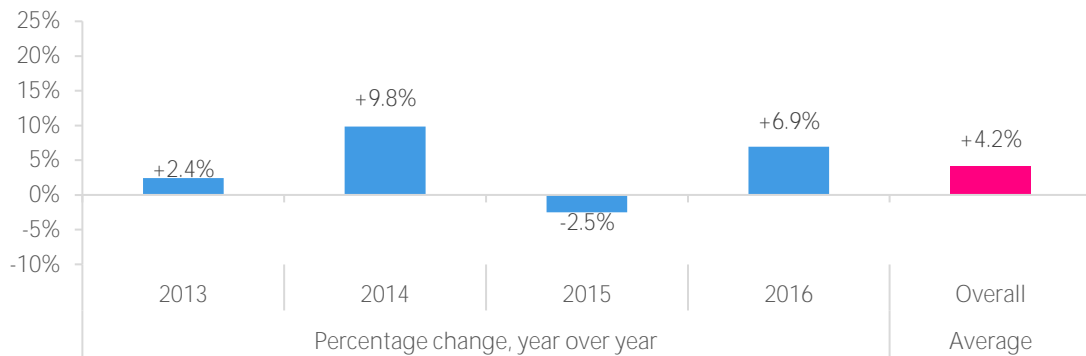


Source: CADAC

From 2013 to 2016, recipient organizations delivered over 162,000 arts education and arts learning activities, with an average yearly increase of 4.2%. Similar to other statistics reported by organizations through CADAC, these activities increased in the first year or two, declined in 2015, but rebounded again in 2016.

³⁹ Does not include organizations that did not report to CADAC.

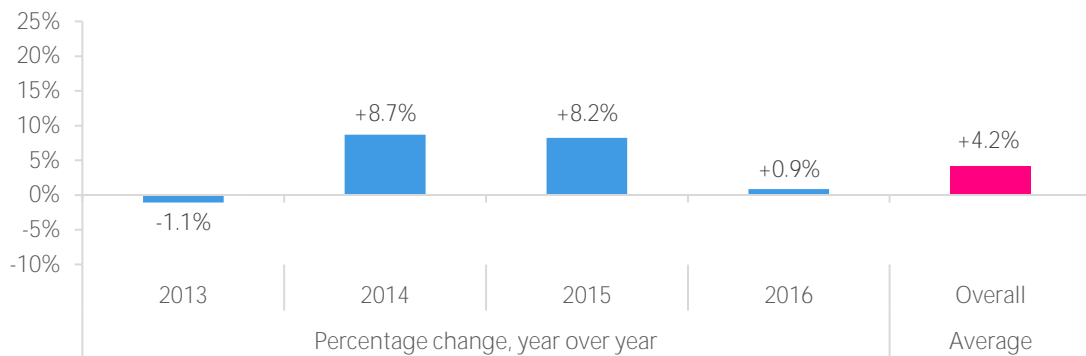
Figure 11: Year to year change in total number of arts education and arts learning activities



Source: CADAC

Arts education and learning activities experienced a total attendance of nearly 15 million over the four years,⁴⁰ and increased at a similar average rate year to year. However, trends in 2015 and 2016 were reversed, with attendance increasing in years where there was a decline in volume of activity delivered in 2015, and increasing at a lower rate than the number of activities in 2016.

Figure 12 : Year to year change in total attendance/participation in arts education and arts learning activities



Source: CADAC

Nearly all key statistics analyzed for the 2013-2016 period show positive results, though the impacts may have been tempered by external influences, such as the Pan Am and Parapan Am Games. MCOs and large institutions may have felt the impact of increased competition (the MCOs did, in fact, experience greater declines relative to the overall number of activities and attendance shown in Figures 6 and 7, as discussed in Section 4.1).

These statistics are based on recipient organizations that report to CADAC (a mandatory requirement for operating grant recipients, LASOs and MCOs). The increased funding for their core activities would likely lead to increased organizational capacity (discussed further in Section 3.2.5 below). However, there is some lag between outputs and this increased funding, a factor which should be taken into

⁴⁰ Does not include organizations that did not report to CADAC.

account in examining outputs such as program delivery and attendance. As well, the financial pressures faced by arts organizations in an era of flat or declining provincial and federal funding support may have been offset in part by these funding increases by the City – in itself a positive result.

3.2 Priority Objectives for Increased Cultural Grants

In this section, each of the six priority objectives are presented, alongside the overall impacts across all granting programs.

3.2.1 Arts Activity outside the Downtown Core

This key priority objective aimed to reduce the disparity between arts activity happening in the **downtown core and Toronto's inner suburbs. Over the course of the four years of increased funding**, there was significant progress toward this objective. However, the downtown core remains as the location of most activity.

The two figures below show this change in spatial distribution – each marker on the map represents a grant recipient, **including through the City's MCO, LASO and Culture Build grant programs, and TAC's operating, project and strategic streams of funding.**⁴¹

⁴¹ Excludes tdsb/Creates.

Figure 13: Map of cultural grant recipients, all granting programs, 2012

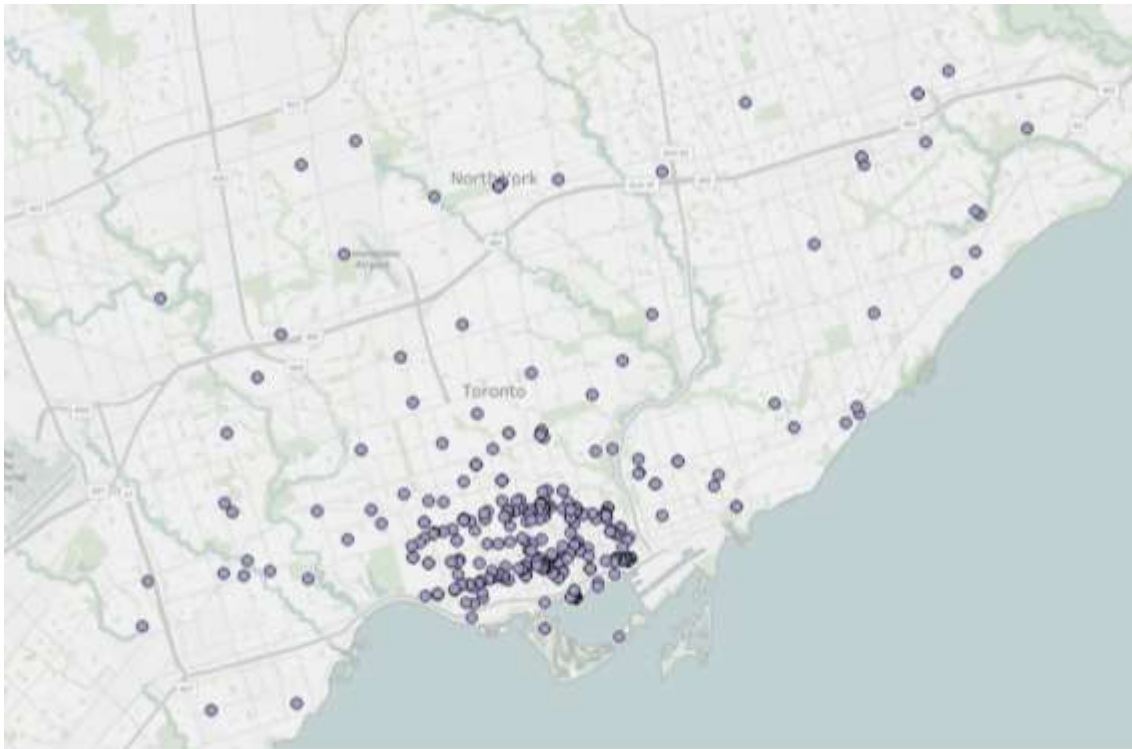


Figure 14: Location of grant recipients, 2013-2016⁴²



There has been an overall increase in the number of grant recipients across the city. As well, specific increases for organizations and initiatives that focus on activity in the inner suburbs contributed to progress toward decentralization:

- The LASOs, which essentially emerged from the local arts councils after the city's amalgamation, were key contributors to this priority objectives (the impacts of these organizations are outlined in detail in Section 4.2);
- The proportion of funding allocations in **TAC's operating grants** program to organizations outside the core increased from 6.5% in 2012 to 8.4% in 2016, and the growing support for Community Arts recipients facilitated capacity building for several organizations focused on community development in the inner suburbs (including MABELLEArts, showcased below);
- **TAC's strategic programs and grants** designed to activate spaces in communities outside the core, including Animating Toronto Parks, Animating Historic Sites, and Artists in the Library, as well as programs that encourage organizations to expand their programs into those areas, including Targeted Enhanced Funding.

⁴² Excludes grants to individual artists, grants that are adjudicated by partner organizations, and programs/services delivered through TAC Leaders Lab, Neighbourhood Arts Network, Artists in Schools (tdsb/Creates), artsVest Toronto and the shared charitable platform pilot.

Arts Activity outside the Downtown Core

Showcase Organization: MABELLEarts

MABELLEarts is a community arts organization rooted in Etobicoke. Increased funding from TAC has enabled the organization to expand its activities. MABELLEarts originated as a residency in the Toronto Community Housing area of Mabelle Park. MABELLEarts was incorporated as a nonprofit in 2009, though it has animated the local park in collaboration with residents since 2007.

MABELLEarts brings together memories, stories and skills of community members to create art and foster shared experiences **in neglected public spaces. Events range from children's** summer camps to Iftar nights for the entire neighbourhood during Ramadan. These events combine theatre, music, movement and visual art in a way that draws people together.

Although MABELLEarts has an established way of working in the Mabelle Neighbourhood, and a core group of community members who participate in activities, the organization added programming in a second park in Etobicoke as a result of Targeted Enhancement Funding from TAC. Activities in Broadacres Park are led in partnership with the Arab Canadian Community Centre. While settlement organizations are under increasing pressure to assist with integration, MABELLEarts already has experience creating a sense of belonging through participatory arts activities. In the first year of the partnership, MABELLEarts worked with the Arab Canadian Community Centre to develop a summer camp for Syrian refugee children.

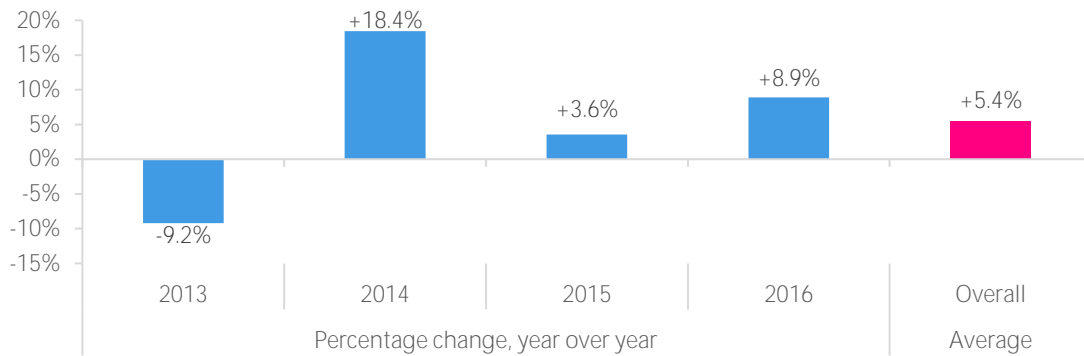
In many cases, community members who have grown up with programming in Mabelle Park become leaders of new activities at Broadacres Park. Offering paid summer jobs in the neighbourhood is especially important because newcomer youth face pressure from their **families to join the workforce. Moreover, MABELLEarts' approach to community engagement** involves paying for activities such as door knocking and translation that are not systematically incorporated into conventional outreach strategies. In this way, Targeted Enhancement Funding allows MABELLEarts to reach newcomers in low-income neighbourhoods of Etobicoke by developing local leadership and building on existing relationships.

3.2.2 Opportunities for Young and Emerging Artists

The City identified improved opportunities for young and emerging artists as a key priority for the new funding, recognizing the need to cultivate the future generation of artists for the continued growth and sustainability of Toronto's arts and cultural community.

Between 2013 and 2016, Toronto arts organizations delivered nearly 18,000 activities⁴³ in which youth were provided an opportunity to engage in arts creation. As shown in the figure below, there was an average year to year increase of 5.4% in the number of activities delivered, although those increases did not begin until the second year of increased funding levels.

Figure 15: Year to year change in the number of activities delivered in which youth create work



Source: CADAC⁴⁴

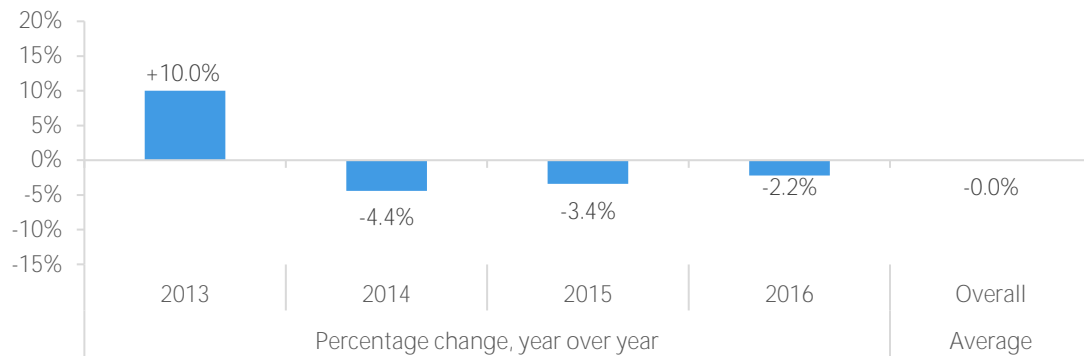
Over the same period, attendance at activities in which youth created work was 300,000.⁴⁵ In fact, in 2013, where organizations who had also delivered activities in this area the prior year reported a 9.2% decline in the number of activities, there appeared to be a 10% increase in participation. In the following years, the growth in the number of activities was met with yearly declines in participation (see Figure 14). These trends may be explained by changes in the types of programs offered, some of which may be more appealing to youth, or by disparities in year-to-year reporting by organizations (data limitations are described in Appendix A: Methodology, and approaches for future measurement discussed in Section 6.2).

⁴³ Does not include organizations that did not report to CADAC.

⁴⁴ CADAC defines these activities as engagements between artists and learners that give learners opportunities to be active participants in the creative process.

⁴⁵ Does not include organizations that did not report to CADAC.

Figure 16: Year to year change in total participation in activities in which youth create work



Source: CADAC

Within this aggregate data, there are stories that illustrate the specific impact of increased funding. Organizations who support young and emerging artists as a core part of their mission, such as VIBE Arts and ArtReach, continued to expand their capacity because of the funding increases. Other organizations leveraged increased funds to grow youth-focused training programs – for example, Soulpepper Youth Academy (showcased below) managed to double the size of enrollment to its highly-specialized theatre program.

Youth and Emerging Arts

Showcase Program: Soulpepper Youth Academy

Soulpepper is a Toronto-based theatre committed to increasing national engagement in the arts through education, performance and programming. Soulpepper Academy is an internationally-recognized professional development program for young artists. Each year, 100 artists apply for every person who is selected to participate in the paid program. As a result of increased arts funding, the Academy has doubled in size, from 8 artists in 2012 to 16 in 2016. It has also developed specialized streams for producers, directors and playwrights as well as training actors.

In addition to this support for emerging artists, Soulpepper is a leader in creating opportunities for youth. Since 2014, City Youth Academy pays 10 high school students considering careers in the arts to participate in two months of intensive training.

Municipal support is at the core of Soulpepper's success. Two Culture Build grants allowed the organization to make their space more appropriate for both professional development and performances.

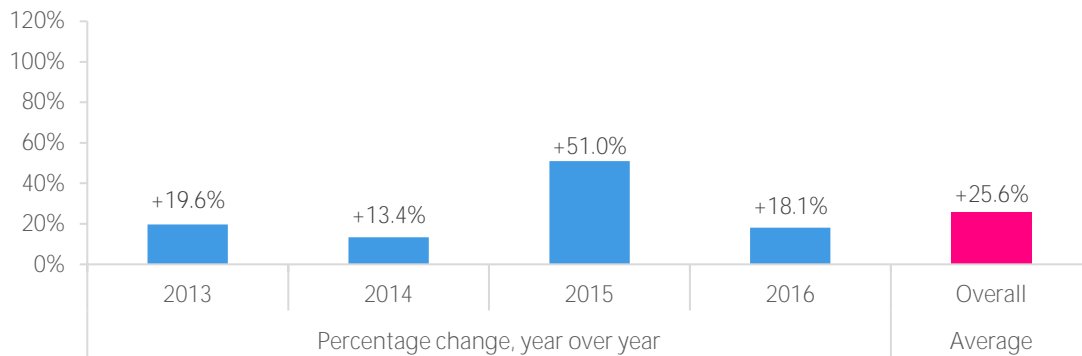
Mike Ross is evidence of Soulpepper's national and international reach. The Charlottetown-born actor, director and musician is an Academy graduate and trained with Soulpepper for two and a half years. He is now the Slight Family Director of Music at Soulpepper and plays a crucial role in both the Canadian and American productions of Spoon River as composer, co-adaptor, music director and performer.

3.2.3 Opportunities for Community and Youth Arts

Increased opportunities for community and youth engagement in the arts was another priority **objective for the City's increased cultural grants**, and the area where the funding had the greatest impact. Between 2013 and 2016, arts organizations delivered approximately 4,600 community arts activities.⁴⁶ Year to year, there was an average increase of 25.6% in terms of the number of activities delivered by organizations, with the highest surge occurring in 2015 (51% increase from the previous year). This increase is despite the fact that project-based funding recipients are not captured in the CADAC data.

⁴⁶ Does not include organizations that did not report to CADAC.

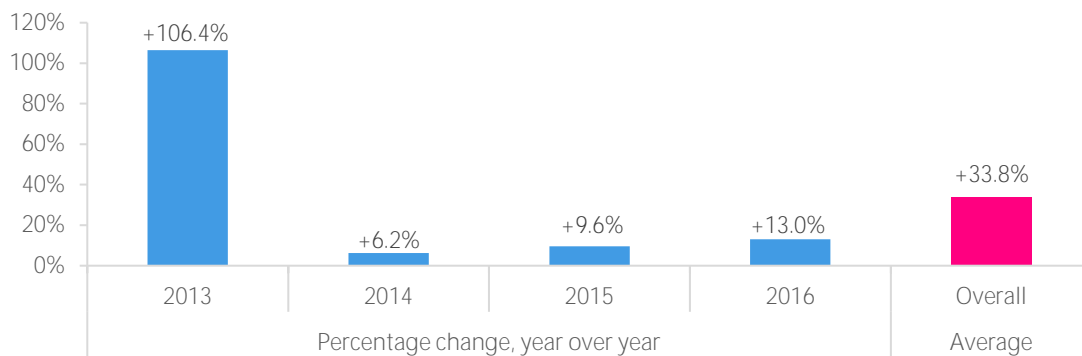
Figure 17: Year to year change in the total number of community arts activities delivered



Source: CADAC

Participation in these activities totaled over 400,000 over the four years.⁴⁷ In 2013, organizations saw a significant increase in participation (106.4%) from the previous year, and continued to see attendance rise in the following years. The average yearly increase during the four years was 33.8%, much higher than the change in general public arts activities, as shown above.

Figure 18: Year to year change in total participation in community arts activities



Source: CADAC

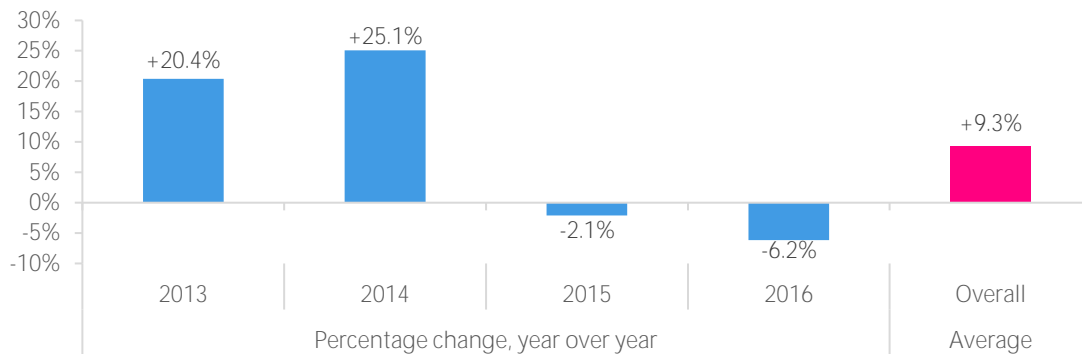
The significant increases in the volume of, and engagement in, community arts activities reflects the increases in operating funding by TAC to community arts organizations, as well as the increased support for LASOs. In addition, many arts organizations designed their community activities around **the City's Neighbourhood Improvement Areas (NIAs)**, further aligning their expanded impact with the **City's objectives**.

In addition to the objective of improving community arts engagement, the City aimed to increase opportunities for youth participation in arts programming. Over the course of the four years under review, arts organizations delivered approximately 11,000 activities specifically designed or directed at youth. The first two years of increased funding showed substantial growth of 20.4% and 25.1%,

⁴⁷ Does not include organizations that did not report to CADAC.

respectively, in the number of programs offered that were either specifically designed for or directed at youth. That level of activity basically plateaued in the following two years, showing a slight decline.

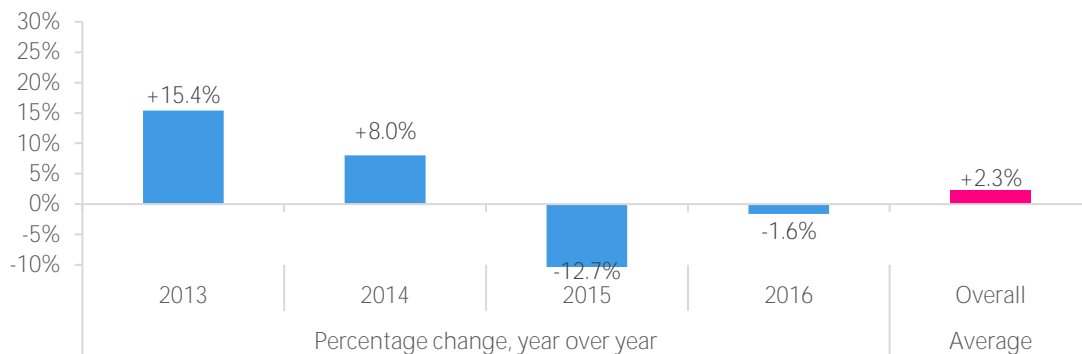
Figure 19: Year to year change in the number of activities specifically designed for or directed at youth



Source: CADAC

Participation in these activities totaled over 1.5 million over the four years.⁴⁸ It followed a similar trend as the number of activities, though the increases in the number of participants in the first two years exhibited a relatively lower percentage increase (see Figure 18). Similarly, the slight drop in activities in 2015 was met with a relatively higher decrease (12.7%) in participation, potentially due to the occurrence of the 2015 Pan Am & Parapan Am Games in Toronto.

Figure 20: Year to year change in total participation in activities designed for or directed at youth



Source: CADAC

The increasing funding for community- and youth-focused arts organizations, including VIBE Arts as showcased below, has enabled recipient organizations to expand their scope and grow the impact of their programs. Increased participation is in effect an indicator of lower barriers to participation in arts activities for youth and communities across the city.

⁴⁸ Does not include organizations that did not report to CADAC.

Community and Youth Arts

Showcase Organization: VIBE Arts

Increased municipal grants have allowed VIBE Arts to expand programming for youth and community arts. Founded in 1995 as Arts for Children and Youth, VIBE Arts has extensive experience working with youth on the margins. Active in 21 of 33 NIAs, the organization coordinates activities from an office at 401 Richmond, while their programming is entirely implemented in collaboration with other community groups who are able to provide space. **For this reason, Executive Director Julie Frost explains VIBE Arts works “anywhere you find kids.” In practice, VIBE Arts leads programs in schools, libraries, shelters and detention centres.**

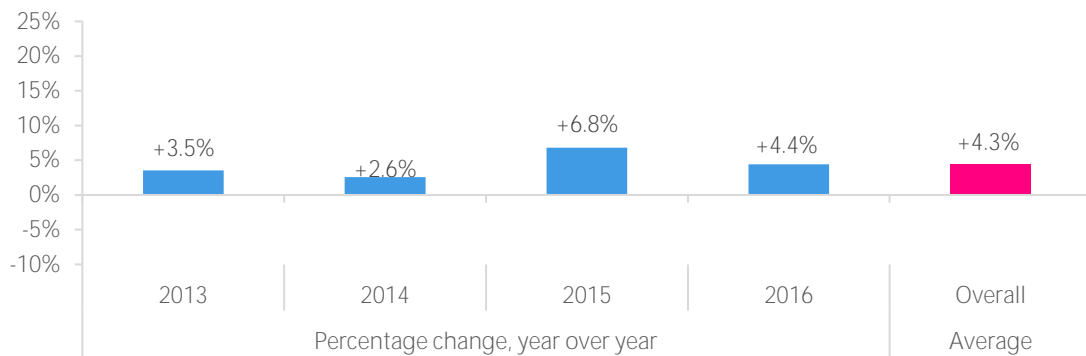
Regardless of where they are working, nurturing the next generation of artists and activists is at the core of what VIBE Arts does. Thanks to additional TAC operating funding, the organization was able to hire a mentorship coordinator for the first time. The mentorship program facilitates teaching and learning for both emerging and established artists. VIBE Arts hires a mid-career artist to work alongside a young person and lead programming. In the process, both artists learn from each other as well as modelling creative collaboration for participants.

This approach has attracted attention from outside of Toronto. As a result, the organization now works in Mississauga and Ajax. The increased scope of their activities has also helped secure funding from corporate sponsors such as KPMG. In this way, TAC grants allowed VIBE Arts to not just enhance programming for young and emerging artists but also leverage new sources of funding and apply a proven model in new communities.

3.2.4 Improved Cultural Facilities

In 2003, *Creative Capital Gains* noted that “The cultural industries and community arts sectors suffer from the lack of access to affordable space in Toronto’s neighbourhoods. This infrastructure gap makes it difficult to ensure all Torontonians have access to cultural programming where they live.” Since then, it appears that arts organizations have continued to struggle with the issue of affordable space. As noted in Section 2, Toronto has experienced rapid increases in property rental rates and purchase prices. Years of stagnant operating funding from public sources other than the City should logically have accentuated the impact of rising costs in one important area of operating costs.

Figure 21: Year to year change in rent and mortgage interest expense (including administrative spaces)



Source: CADAC

As shown in the figure above, organizations indeed spent increasingly more on rent and mortgage interest expenses between 2012 and 2016. Property tax is also a cost pressure for some organizations that own space. While moving inexorably higher, these figures show that the increases in commercial rents, discussed in Section 2.2.3, are not as drastic as one might expect. Nevertheless, the real estate costs are likely to disproportionately affect newer organizations or those that are in the market for precarious commercial spaces. The figure above also does not account for space-related costs for projects or organizations that are not in the operating grant stream.

Consultations revealed that in some neighbourhoods, particularly in the downtown core, cultural organizations have been or are at the risk of being priced out and forced to relocate to prevent facilities expenses from more drastically affecting operations and programming activities. Stakeholder interviews revealed consensus among stakeholders that access to and affordability of cultural spaces is among the top challenges faced by arts organizations, and poses a risk to the sustainability of organizations and the broader sector across the city.

Overall, organizations have found themselves in a place where creative solutions are often required to maintain access to creative spaces. For one, there is more collaboration among organizations to share space. Creative hubs such as Artscape facilities or 401 Richmond provide opportunities to share resources.

At the same time, many organizations (and indeed, TAC and the City) have been forced to reimagine what can be defined/used as a cultural space. As noted above, libraries and schools are sites for artistic programming, and other examples abound, for example:

- The arts organization, Kaeja d’Dance, has framed the issue of space, inviting artists to choose locations across the city, such as the Scarborough Bluffs or underpasses, as production sites for their projects;

- MABELLEarts has found potential for innovative performing arts programming in suburban parks;
- Art Spin aims to activate public spaces with contemporary art works and leads audiences through this reimagined presentation space on bicycles; and,
- Other spaces, such as churches, are being used as ad hoc arts hubs by community arts organizations.

In many neighbourhoods the lack of affordable space has shifted the focus of art production to the street. The result provides opportunities for mural projects, planters, street festivals and graffiti to help retain artistic activity even as facilities-based organizations may be relocating to more affordable areas of the city. In fact, these activities are often facilitated by BIAs, who are not eligible for public arts funding and often find it difficult to finance and manage events and initiatives. For example, the StART program, administered by the Public Realm Section of the Transportation Services Division, provides support to art on the streets.

These emerging spaces used for artistic activity do not, however, solve the space-related challenge faced by Toronto arts organizations. Recognizing this as a key challenge, **the City identified “improved cultural spaces” as a priority objective** for the new funding. In addition to overall increases to operating grants through TAC, the City re-introduced Culture Build as a key contributor to this area (see description of SKETCH below as a grant recipient).

In addition to its operating grants, TAC’s strategic initiatives directly addressed the issue of space to provide opportunities for programming to take place in existing facilities (mostly outside the downtown core). Examples are the Animating Parks and Historic Sites programs, and the Artists in the Library program. In addition, TAC initiated the Performing Arts Facilities Support program, which acknowledged the additional financial burden and sector-wide value of facilities-based organizations that subsidize space costs for smaller organizations, often at below-market prices.

LASOs have also been instrumental to progress in this area, expanding into more spaces over the course of the four years.

The mandate of Artscape, **which became part of the City’s MCO** program in 2013, is focused on space and the organization has seen a period of growth over these years.

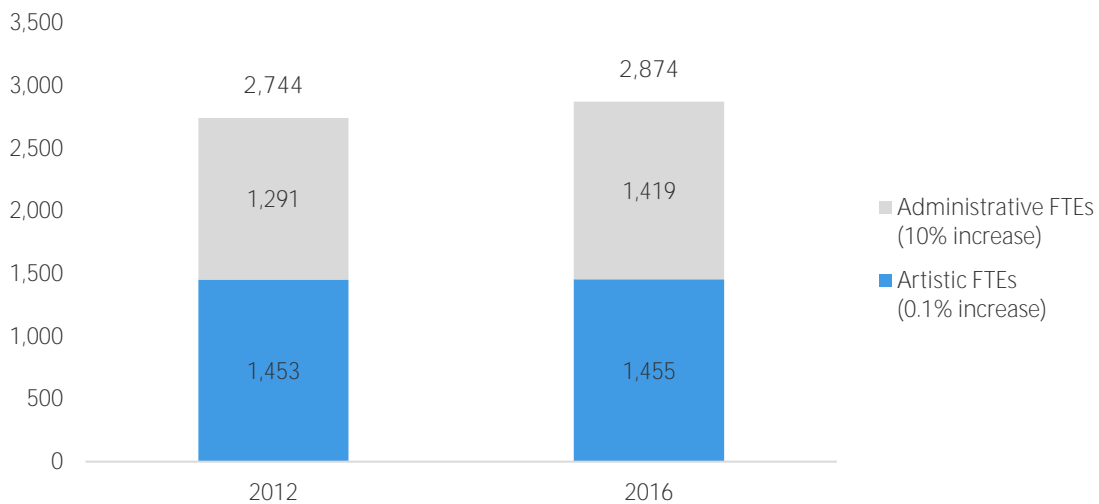
Despite the increases in operating grants and the other targeted granting programs, however, there remains significant demand for additional support related to ensuring arts organizations have affordable spaces in which to deliver programming.

3.2.5 Increased Organizational Capacity

A sustainable arts sector depends on the existence of organizations that have the capacity to secure resources from a variety of sources, engage artists, and deliver programs that appeal to and resonate with diverse audiences. As such, this priority objective arguably underpins the ability to achieve the others.

A key element of organizational capacity is staff; consultations revealed that increased human resources enabled by additional operating funds have allowed organizations to better achieve their mandates and provide arts programming across the city. From 2012 to 2016, the overall number of full-time equivalent (FTE) positions at arts organizations reporting in CADAC grew by 5%. This overall growth was driven by growth in the number of administrative staff (by 10%), while the number of artistic staff remained approximately the same.

Figure 22: Total FTEs, classified by artistic and administrative roles, 2012 and 2016

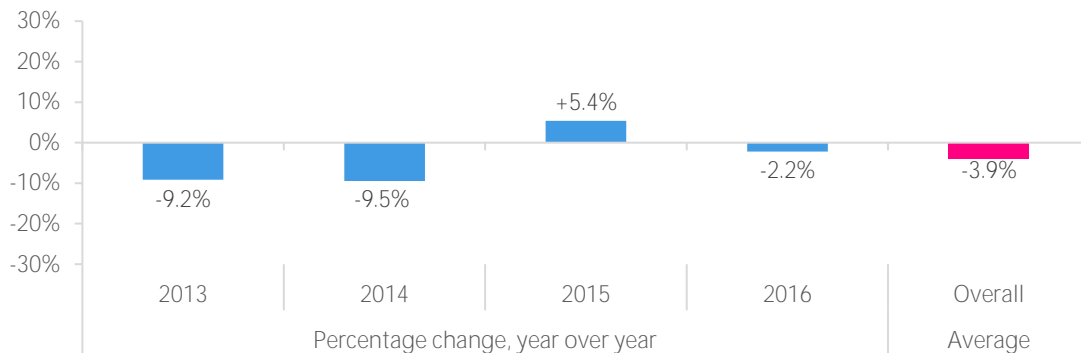


Source: CADAC

While the change in staffing may seem minor at first, it should be noted that even a part-time addition to the team at a small arts organization results in increased capacity to plan and be more effective in sourcing funding. Furthermore, increased administrative capacity has the potential to increase projects and in turn, artistic employment as part of projects.

In addition to the number of staff, capacity development can occur through the upgrading of skills among existing staff. From 2013 to 2016, organizations delivered over 3,700 professional development programs for arts professionals, including workshops and courses.⁴⁹ While the volume of these activities declined yearly by an average of 3.9%, it could represent some streamlining and consolidation – as the actual number of courses is not necessarily an indicator of progress.

Figure 23: Year to year change in the number of professional development activities delivered

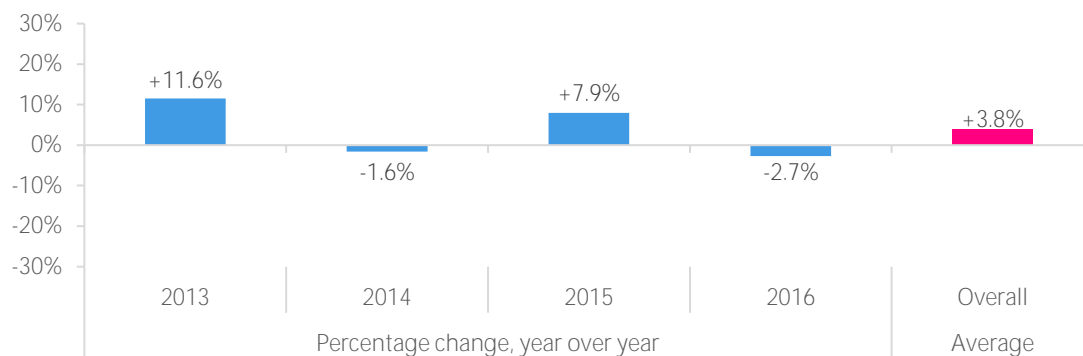


Source: CADAC

⁴⁹ Does not include organizations that do not report to CADAC.

These professional development activities had total participation of nearly 163,000, creating an average yearly increase of 3.8%.⁵⁰ The first year of increased funding, 2013, coincided with a surge of 11.6% in participation in professional development activities (despite a smaller number of them being offered, as noted above). This increase was potentially in response to changing roles, new hires or new opportunities being created by arts organizations that received increases in operating funds. Thus, somewhat fewer programs generated a net increase in those who took them.

Figure 24: Year to year change in participation in professional development activities



Source: CADAC

Perhaps the most direct contributors to this priority objective of capacity building are granting programs that provide funding on an annual basis for operations – in particular, the LASO program **administered by the City, and TAC’s operating grants across the disciplines. Human resource capacity** is a priority for many organizations, and they are dependent on this capacity to extend their engagement with their constituencies, plan and deliver programs, and present/market these activities to funders and partners (see description below of Tangled Art + Disability). The increase in staff enabled by a larger funding base for the LASOs has had a major impact on the ability of the LASOs to engage with their communities, expand their geographic footprint, and leverage other resources.

While the increased funding to operating grant recipients allowed them to develop some additional internal capacity, consultations revealed that most organizations were only just able to start filling the gaps that had emerged after years of stagnant funding. Some teams have grown, but in many cases organizations were able to offer pay raises to existing staff for the first time in many years. Most stakeholders perceive that compensation levels are still inadequate across the sector, admitting that arts sector administrators have historically been underpaid. At the same time, however, capacity building has been achieved through significant **operational investments such as TAC’s Leader’s Lab.**

⁵⁰ Does not include organizations that do not report to CADAC.

Increased Organizational Capacity

Showcase Organization: Tangled Art + Disability

Tangled Art + Disability is a disability arts organization that made the transition from an annual festival to an organization coordinating year-round programming within the past five years. For several years, Tangled Art + Disability operated out of a small, basement space at 401 Richmond, which limited the organization's capacity to offer programming. **A turning point came a few years ago when, while looking for a venue for that year's festival, the Tangled team decided to partner with other organizations throughout the building in order to secure exhibition space.** The festival was a resounding success and demonstrated to the building management the audience that they were missing out on by not providing more space for disability arts. Shortly afterwards, Tangled was offered a main floor space at 401 Richmond.

Culture Build funding allowed Tangled to take advantage of the opportunity, a process that **also transformed the organization's internal capacity.** As Katie MacMillan explains, "Basically we were given an empty box at 401 Richmond, we had to turn it not just into an exhibition space but one that met our ideas of accessibility." Culture Build contributed to not just light and audio-visual equipment but also adjustable desks to accommodate disability-identified staff, artists and volunteers. These investments reflect Tangled's approach to accessibility, which goes beyond the basic standards set by the AODA to encompass attitudes, language and creative practices.

For this reason, the new space prompted a broader examination of the organization's strategic direction. Tangled restructured the board and staff, conducted a community vision process, created a volunteer program and reaffirmed the commitment to hire disability-identified staff. Now they are looking at how to partner with other organizations in the building to foster accessibility in other ways, such as providing ASL interpretation or creating tactile exhibits.

Tangled is also increasingly asked to partner with other organizations in order to ensure the inclusivity of other arts events. A new goal is to develop a disability-led social enterprise to offer consulting services. They piloted the concept at the 2017 Summerworks theatre festival by organizing sessions on the aesthetics of accessibility and the logistics of relaxed performances, while also ensuring that all festival venues were barrier free. However, these collaborations would not have been possible without a dedicated space and the resources to **turn the Tangled gallery into an example of creative inclusion.** In MacMillan's words, "Culture Build was a game changer and it has had a significant impact on organizational capacity."

3.2.6 Partnerships

In an environment with limited resources, arts organizations are inherently compelled to find collaboration and partnership opportunities to realize programming aspirations and maximize the **sector's collective impact**. **Because of** the increased focus on community and youth arts, many arts organizations have also found ways to join forces with partners outside of the arts sector, who may themselves have complementary social or economic development mandates.

Consultations revealed many examples of effective partnerships, ranging from knowledge-sharing to shared spaces. The success of **imagineNATIVE's partnership with peer organizations is showcased** below. Numerous other examples are highlighted throughout Section 4, in relation to specific granting programs including several partnership-focused strategic programs introduced by TAC because of increased funding from the City.

Partnerships

Showcase Organization: ImagineNATIVE

Open Door Funding enabled imagineNATIVE Film + Media Festival and four partner organizations to renovate a space at 401 Richmond and increase community programming. imagineNATIVE already had strong relationships with Vtape, South Asian Visual Arts Centre (SAVAC), Reel Asian International Film Festival, and FADO Performance Art Centre, but new funding encouraged the organizations to come together and reimagine what would be possible in a shared space. The goal was to create a collaborative environment for diverse artistic practices and cultural communities to come together for exhibition, presentation, learning and research.

In addition to applying for Open Door funding, the organizations also solicited donations from both individuals and groups. For instance, the Toronto Friends of the Visual Arts contributed \$20,000 toward the project. In this way, the TAC grant pushed imagineNATIVE to pursue increasingly sophisticated approaches to fundraising and leverage other sources of investment. Different levels of donations were recognized with a donor wall and naming opportunities for seats incorporated into the space. This diversification is particularly important because, for equity reasons, box offices sales are deliberately not an essential source of revenue for the festival.

Following a successful fundraising campaign and redevelopment at 401 Richmond, The Commons encompasses offices for each of the partner organizations as well as a shared research centre and adaptable spaces for presentations and workshops. This renovation has **dramatically increased imagineNATIVE's capacity to hold community events because it can** now offer screenings and other activities throughout the year, independent of festival programming. The new space could not have come at a better time because, as reconciliation becomes a growing part of local and national conversations, imagineNATIVE fields more and more invitations to partner with other organizations and bring Indigenous perspectives to a range of arts activities and culture events.

4. Impact of Granting Programs

The main granting programs through which arts funding from the City of Toronto is distributed are the following: the major cultural organizations (MCOs), the Local Arts Services Organizations (LASOs), Culture Build, and the Toronto Arts Council (TAC), which includes its strategic initiatives, operating, and project and artist grants. Each class of granting program is reviewed in this section.

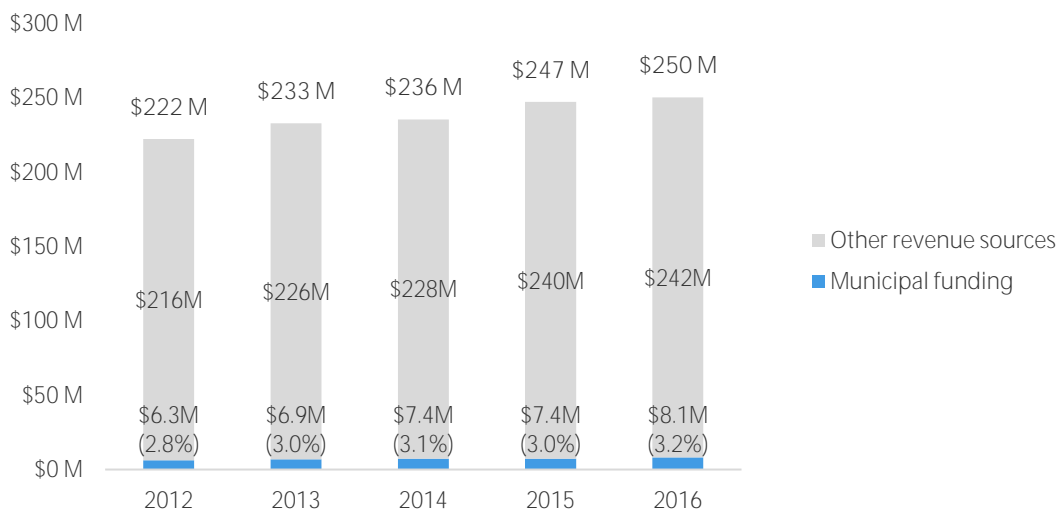
4.1 Major Cultural Organizations (MCOs)

4.1.1 Overview

The City of Toronto's support for its flagship cultural institutions dates to 1957, when the Municipality of Metropolitan Toronto first began supporting ten organizations through grants. In fact, five of those original grant recipients – the Toronto Symphony Orchestra, the National Ballet of Canada, the Art Gallery of Ontario, the Canadian Opera Company and the National Ballet School – continue to receive this support as part of the MCO granting stream. Through the years, new additions to this list have included the Festival Management Committee (formerly Caribana); Pride Toronto; the Gardiner Museum, the Toronto International Film Festival, and Luminato. In 2013, Toronto Artscape Incorporated was added to the list of MCOs, although it had received a grant allocation from the City prior to its official recognition as an MCO.

By 2016, funding to MCOs by the City had increased 28% above what it had been in 2012. The MCOs overall had only increased by 12.6% over these 4 years, if all the sources of funding are included – see Figure 25 below. The City's share gradually increased from 2.8% in 2013 to 3.2% in 2016 (with no declines shown).

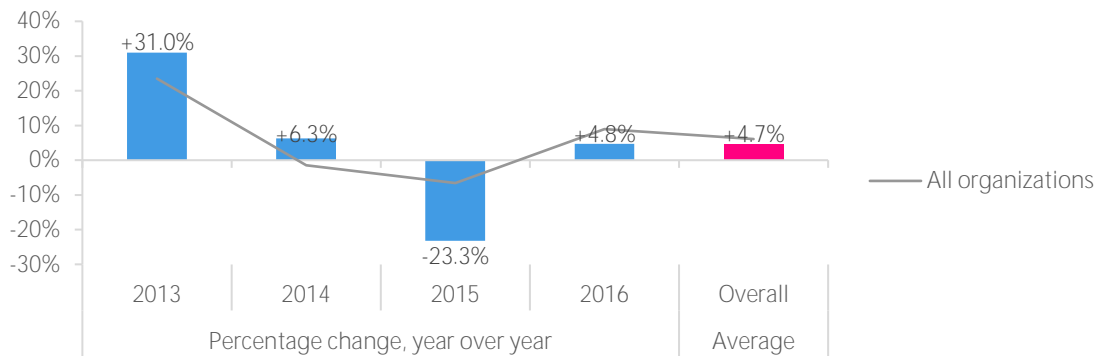
Figure 25: Major Cultural Organizations, allocations as proportion of overall revenue



Source: CADAC

MCOs delivered a combined total of 45,000 public activities, with attendance of around 25 million over the course of the four years (see Figures 26 and 27). In fact, they accounted for roughly 40% of total activities and attendance reported by all Toronto arts organizations that received grants and reported in CADAC – although as previously noted, this data is self-reported and may include attendance at public parades as well as audiences at ticketed events.

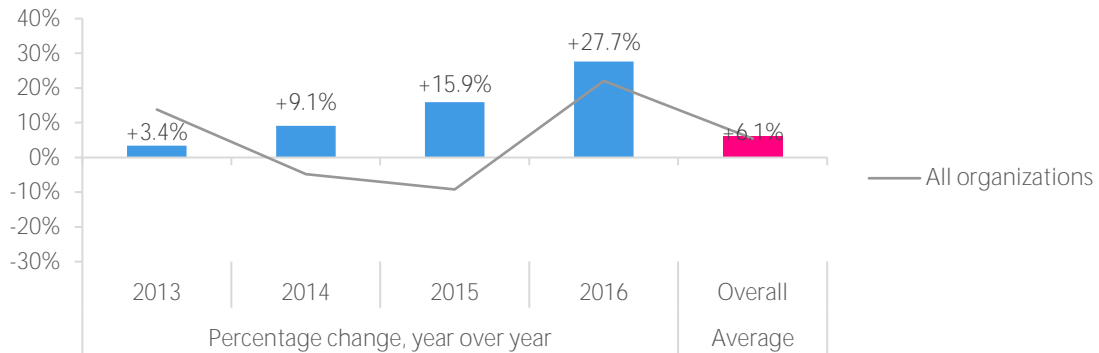
Figure 26: Year to year change in the total number of public activities delivered by MCOs



Source: CADAC

MCOs reported an average yearly increase of 4.7% in the number of activities delivered, below the overall average of 6.1% reported across all funding streams. However, they reported an average yearly increase of 6.1% in attendance, slightly above the 5.5% average across all streams.

Figure 27: Year to year change in total attendance to public activities delivered by MCOs



Source: CADAC

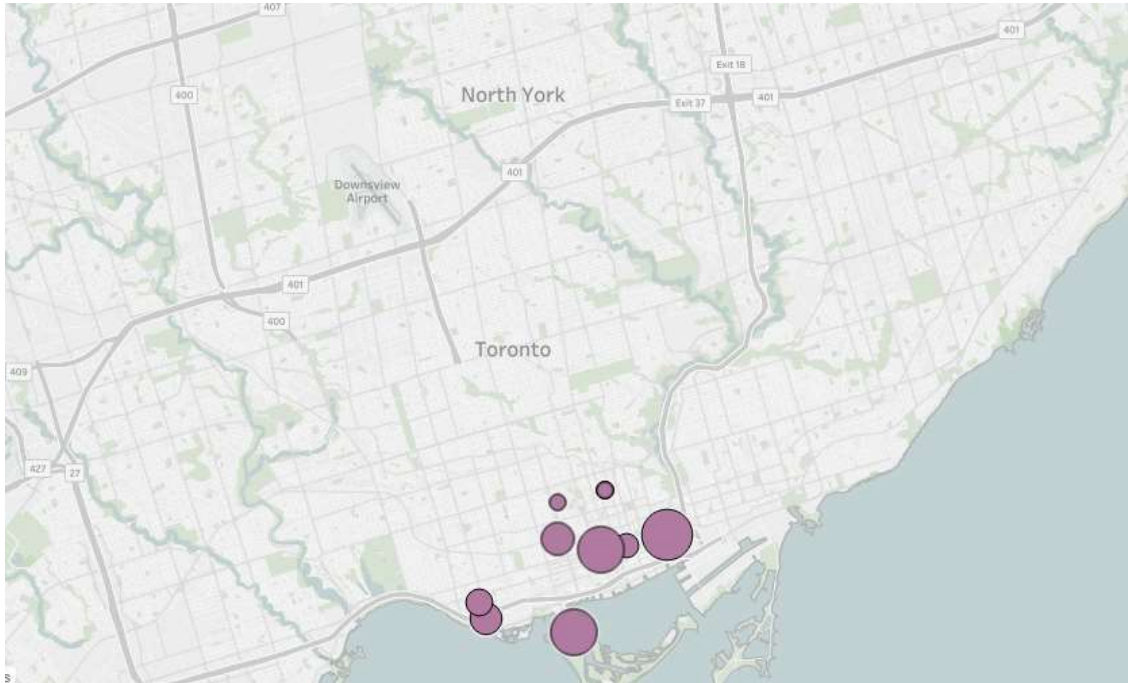
While MCOs contribute to engagement in the arts in a major way, City funding makes up a small proportion (approximately 3%) of their overall funding. As a result, attribution of any changes (positive or negative) in activities delivered or people engaged is relatively low. As well, the amount of the increase, as relatively tiny as it is, was allocated among the MCOs unevenly – some of the MCOs received very little of the increase, while others received more.

While City funding makes up a small proportion of overall MCO revenues, these organizations significantly contribute to **the City's objectives. Tangible City financial support demonstrates** recognition of the cultural importance of these organizations to Toronto. In addition, this financial support helps extend the reach of these organizations. MCOs are also major employers and have international recognition.

4.1.2 Contribution to achieving Priority Objectives

MCOs contribute substantially to some of the priority objectives established for the increased funding. While MCOs are primarily located in the downtown core – see Figure 28, below - the reach of these MCOs can be more spatially diverse in terms of the full cycle of their operations. In fact, the extension of MCO activity outside the core has been a key driver of increased arts activities in these areas.

Figure 28: Map of total funding allocated to MCOs, 2013-2016



MCOs which are festivals (i.e., TIFF, Pride, Caribbean Festival (Caribana), and Luminato) are increasingly searching for talent across the city, including the inner suburbs. As well, their outreach goes outside the core, for example:

- Pride is present at many street fairs throughout the city.
- TIFF has a large outreach program, and works through City of Toronto councillors to organize TIFF in the Park in their wards.
- Other organizations increasingly search for talent (including artists and curators) across the city, including the inner suburbs.

The larger specialized MCOs have the capacity to professionalize their operations more than smaller ones. In their engagement with sector partners they can help grow the capacity of their partners, for example:

- Luminato helps develop the capacity for performing arts, including building their experience with international productions, working with festivals, and developing the capacity to co-produce with other companies;
- TIFF helps the numerous other film festivals – there are more than 50 in Toronto annually - in aspects of festival organizations.

MCOs that are larger organizations also develop many partnerships in the city, as well as outside it. For example, in the performing arts world in Toronto, Luminato figures it has established partnership opportunities with more organizations than anyone else. In another example, an international festival like TIFF convenes film industry talent and business people from around the world and organizes conferences and other occasions for the Toronto-based counterparts to connect with them.

In terms of facilities and spaces, the MCOs bring an important element to Toronto's **arts community** – whether it is **Luminato's activation of new spaces** or **Artscape's** instrumental role in the development of facilities for artists and arts organizations.

The MCOs are responding to direction from their boards and the funding sources from federal and provincial jurisdictions. In doing so, they have been informally going down paths that are similar to the priority objectives of Toronto. Thus, though the **City's contribution to the budgets** of the MCOs is small, the contribution of the MCOs to the **City's objectives is substantial**.

Besides acting as the drawing card for tourists and residents alike, these organizations employ and **train many of the arts community's top talent in creation**, entrepreneurship, international connections, and arts management. The contribution of \$8.1 million to the budgets of these MCOs is tangible evidence that the City is very supportive of organizations which make a substantial contribution to its arts community, the general public, and local economy.

4.2 Local Arts Service Organizations (LASOs)

4.2.1 Overview

Local Arts Service Organizations (LASOs) originated as grassroots arts organizations, each representing one of the former boroughs that now comprise the amalgamated City of Toronto. LASOs **perform a critical role in the City of Toronto's arts ecosystem** – in particular, they provide dedicated staff to advance arts- and community-focused projects in their communities.

LASOs represent all parts of the city and stimulate initiatives brought forward by individual artists, neighbourhood residents, or schools. Collectively, the LASOs summarize their goals as follows:

- Providing free art programs, events and services to residents of all ages, skill levels and backgrounds, creating local community arts hubs outside the downtown city core;
- Supporting local artists, educators, emerging arts organizations, underserved groups, volunteers and the general public with much-needed resources, skills development and access to the expression and enjoyment of the arts;
- Building connections within their communities and increasing civic leadership; and
- Opening opportunities to advance local economic activity and cultural tourism by celebrating the arts in their neighbourhoods.

To achieve these goals, the LASOs maintain networks with local volunteers and businesses, as well as educational and social organizations. In doing so, they are well-positioned to provide agile administrative project support and respond to urgent needs in their communities. Toronto is served by six LASOs, each of which is briefly outlined in Table 6.

Table 6: Summary of Toronto's six LASOs

LASO	Year Founded	Description
Arts Etobicoke	1973	The longest-running LASO: focuses on collaboration between diverse disciplines and socially-oriented organizations, supporting emerging artists and arts education, and meeting immediate community needs
Scarborough Arts	1978	Serving the Scarborough area through the development of local artists and arts organizations, making community-relevant arts accessible, and raising local awareness of the arts
UrbanArts	1988	Primarily serving downtown youth by building leadership skills through art projects and arts education, supporting public art (murals), and offering programs (dance, culinary arts, etc.) for underserved constituencies
Lakeshore Arts	1993	Focuses on community goodwill by reaching out to newcomers, promoting multigenerational and multidisciplinary programming, and promoting arts as a vehicle to realize positive social outcomes
North York Arts	2011	Graduated from Toronto Arts Foundation incubation program to become an autonomous charity in 2016: focuses on emerging artists, community-building (newcomers), the local economy (partnerships with businesses), and cultural tourism
East End Arts	2013	The youngest LASO: focuses on increasing awareness and visibility for local artists, making art accessible to the public, and building capacity for a stronger presence as it grows

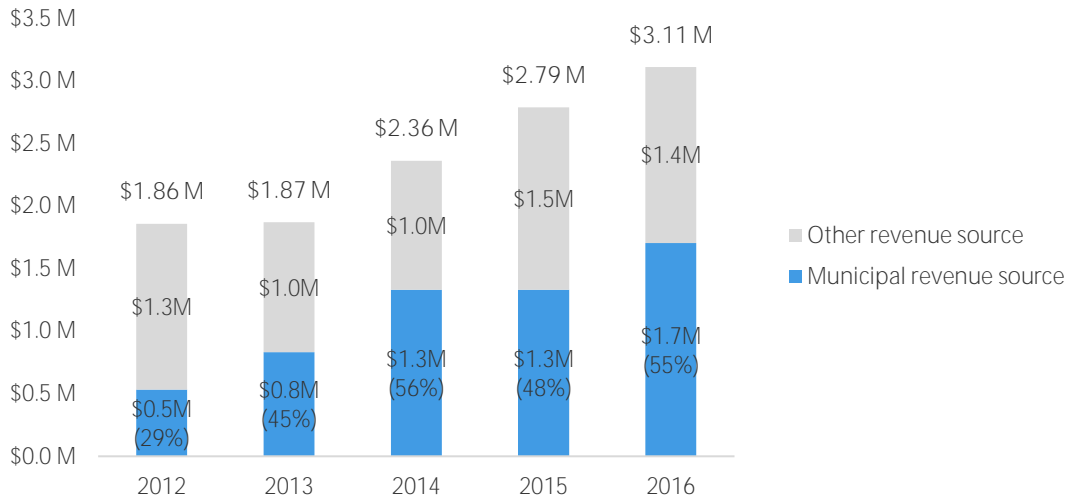
From 2012 to 2016, annual funding to LASOs increased by 220% (from \$533,000 to \$1,705,000). However, two out of the six LASOs (North York Arts and East End Arts) received their first funding from the City of Toronto during the study period.

In a joint letter submitted after their group interview, the LASOs collaborated to provide a summary statement indicating that increased funding from the City supported the following activities:

1. Expanding and stabilizing existing programs in response to community needs, and diversifying programs and services to more neighbourhoods across the GTA. The LASOs identified gaps in arts programming that supports local artists, newcomers, Neighbourhood Improvement Areas, LGBTQ+, and Indigenous communities. The LASOs continue to expand programming, delivering various inter-generational initiatives that support the artistic, local and underserved communities.
2. Moving toward sustainable operations through an increased funding baseline. Increased funds helped ensure that **LASOs'** operations were better equipped to meet demand from their local communities and population increases. Additional operational costs will be incurred for expanded programming and services, day-to-day facility increases and additional staff, going forward.
3. Investment in building and stimulating the local economy. The LASOs continue to develop and support innovative programming initiatives and cultural festivals that enrich activity and community engagement. Cultural events contribute to increased public and private investment, encourage cultural tourism, fill identified needs and gaps in cultural programming, compensate artists and performers, optimize return on investment for the local economy and provide an outstanding community engagement and visitor experience.

In proportional terms, municipal funding grew from just under a third of the LASOs' total revenue to slightly more than half in 2016. Apart from 2013 and 2014, the other revenue raised by LASOs was constant at around \$1.3-1.5 million.

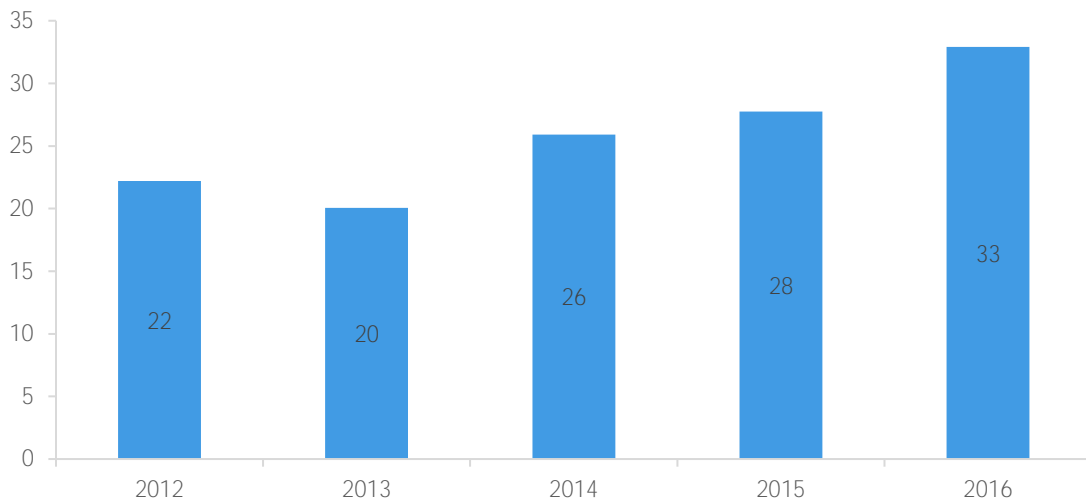
Figure 29: Municipal funding to LASOs, 2012-2016



Source: CADAC

In broad terms, LASOs are a clear growth story from 2013 to 2016. The principal effect of a substantial increase in City funding was to provide LASOs with additional staffing and increase their stability as organizations, thus extending their impact. The following figure shows the total number of FTEs reported by the LASOs from 2012 to 2016. Although dipping slightly in 2013, the FTE count grew from 22 in 2012 to 33 in 2016.

Figure 30: Total full time equivalent employees (FTEs) at LASOs, 2012-2016



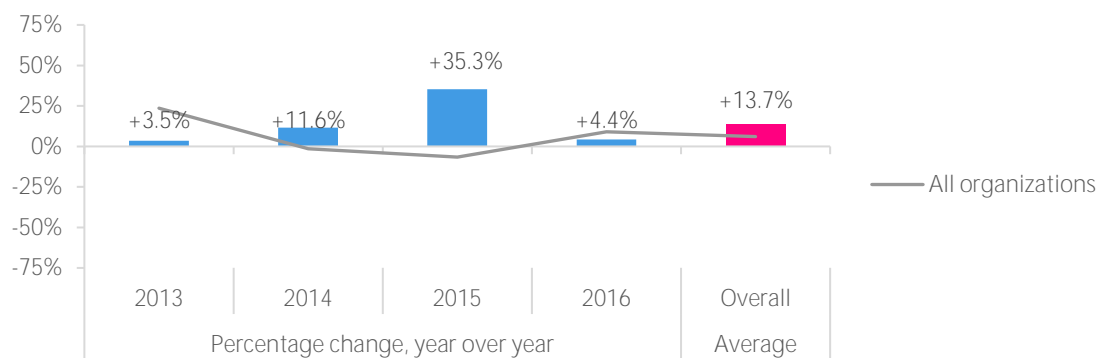
Source: CADAC

Because LASOs are small, agile, and project-focused, they tend to function as catalysts, enablers, and/or fixers who work with the system to achieve results for initiatives that do not have full-time

staff, resources, and/or experience to perform important administrative functions. With access to additional funding to pay for increased personnel and support new activities, **the LASOs'** impact can be seen most clearly through their increased support for other organizations – they can now engage more effectively with an increasing number of projects and be better prepared for succession of leadership, organizations and audiences.

Overall, LASOs organized a steadily increasing number of activities during the period from 2013 to 2016, delivering a combined total of 1,400 public activities, with attendance of nearly 553,000 over the course of the four years. On average, the number of activities increased by 13.7% per year, with a notable increase in 2015, when most other organizations in the city were experiencing a relative decline. That year was improved upon by the 2016 results, demonstrating a significant return on investment in terms of increasing arts activities across the city.

Figure 31: Year to year change in the total number of public activities delivered by LASOs

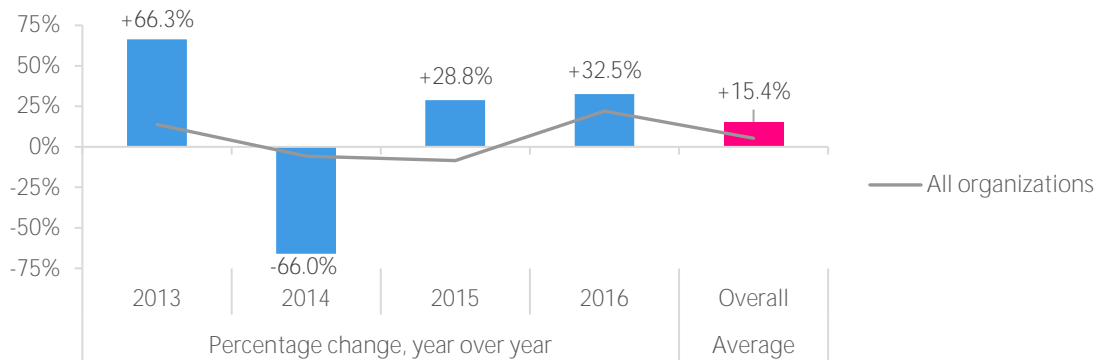


Source: CADAC

Likewise, the following chart shows that attendance to LASO activities generally exhibited a positive trend, with an average yearly increase of 15.4% across the entire period.⁵¹

⁵¹ The unusual increase in 2013 was due to a joint project between Arts Etobicoke and Lakeshore Arts called "Art on the Move," which presented art-wrapped vehicles as a commentary on the prevalence of advertising in public spaces. Due to its large footprint, this initiative generated a significant increase in attendance for that year. The decline in 2014 matched this increase, but was followed by two years of strong growth.

Figure 32: Year to year change in attendance at public activities delivered by LASOs



Source: CADAC

With this extra capacity, LASOs increased programming that supports arts awareness, participation, and development of the arts in even wider parts of their service areas – often in collaboration with other partners.

The most visible examples of LASOs’ collaborative work are their support for public art installations. The following breakout box describes how UrbanArts and East End Arts have leveraged their relationships with the public and private sectors to bring several recent mural projects to fruition.

LASOs’ Collaboration and Administrative Support for Public Art

Showcase Projects: Falstaff Community Centre, Outlook Manor, and “Transitions”

In 2016, UrbanArts, in partnership with the Cultural Hotspot West, brought youth arts and youth arts entrepreneurship to new heights. As a cross-sectoral collaboration with professional partners such as 3M, AIP media, Gallery 44, the City’s Parks, Forestry and Recreation, StART, Toronto Community Housing, 30 youth aged 14-29 created and installed a mural on three exterior walls of the Falstaff Community Centre. As well, the exterior walls of Outlook Manor were wrapped with a 39-metre tall mural by both AIP Media’s installers and the local youth working from suspended swing stages. Altogether, this project applied more than 177 square metres of vinyl; one of the youth who worked on both buildings continued with AIP in a professional context, that is, getting paid to work on its projects.

Another example noted during the LASO group interview was **East End Arts’** support in **securing approval for the “Transitions” mural on the Coxwell TTC Barns wall**. The telling of this anecdote in the group interview setting also illustrated the collaborative spirit with which the LASOs support each other’s development. **During the effort to secure approval and funding for “Transitions,” the more established LASOs shared their experiences, contacts, and advice with their youngest “sister LASO” as East End Arts navigated this type of task for the first time.** In the process, East End Arts developed relationships with corporate sponsors like Dulux and Home Depot, stakeholders including the Danforth East Community Association, Street Art Toronto (StART) and the Toronto Arts Foundation, as well as contacts at the City of Toronto and the TTC that they can leverage to facilitate public art projects in the future.

In addition to their role as catalysts for public art installations, the **LASOs' networks extend beyond** the artists, local residents and sponsors who have a stake in beautifying public spaces. The LASOs pointedly identify art and arts programming as a vehicle for social development, community cohesion, health, and wellness. These objectives are met by cultivating relationships with social services and health resources in the community. As such, **LASOs' impact extends beyond** the provision of inclusive arts programming.

LASOs' Programming Reaches Beyond Art (Social/Wellness)

Showcase Project: **"Dancing in the Third Act"**, Creative Youth Photography Workshop

In 2015, Arts Etobicoke and Lakeshore Arts partnered to develop and implement "Dancing in the Third Act" as a Cultural Hotspot West Signature Project in collaboration with award-winning choreographer Randy Glynn. **This unique, highly successful seniors' dance project** witnessed 12 seniors, who had little to no previous dance training, transformed into accomplished dancers. By opening night, the participants had completed three months of intensive dance training and rehearsal, culminating in three professionally staged and well-attended public performances. This production created an opportunity to work with students at Silverthorn Collegiate Institute to facilitate a deeply moving intergenerational experience. Visual art students at the school documented the rehearsal and performances, resulting in two art exhibitions featuring portraiture, photography, impressionistic paintings, and line drawings based on their interactions and observations of the senior dancers. The Theatre Technician Club at the school also had the opportunity to study under professional lighting designers and technicians as well as a highly respected professional Stage Manager.

Another example noted during the LASO group interview was North York **Arts' Creative Youth Photography Workshop**, a weekly program that was offered to Syrian refugee youth that were temporarily housed in the Toronto Plaza Hotel in April and May of 2017 after their arrival in Canada. Although this program occurred after the study period, it is a poignant **illustration of LASOs' agility and responsiveness to an urgent social need (resettling refugees)** through arts programming in collaboration with business (Toronto Plaza Hotel) and city agencies (City of Toronto Shelter Services).

More generally, the LASOs are also instrumental to supporting emerging artists and making arts available to their communities. The following breakout box provides some examples of community building projects undertaken by LASOs in recent years.

4.2.2 Contribution to Achieving Priority Objectives

Most significantly, increased funding enabled LASOs to hire additional staff and provided stability for these organizations, thus accelerating their impact. In this way, LASOs are emblematic of success in terms of the objective of increasing organizational capacity.

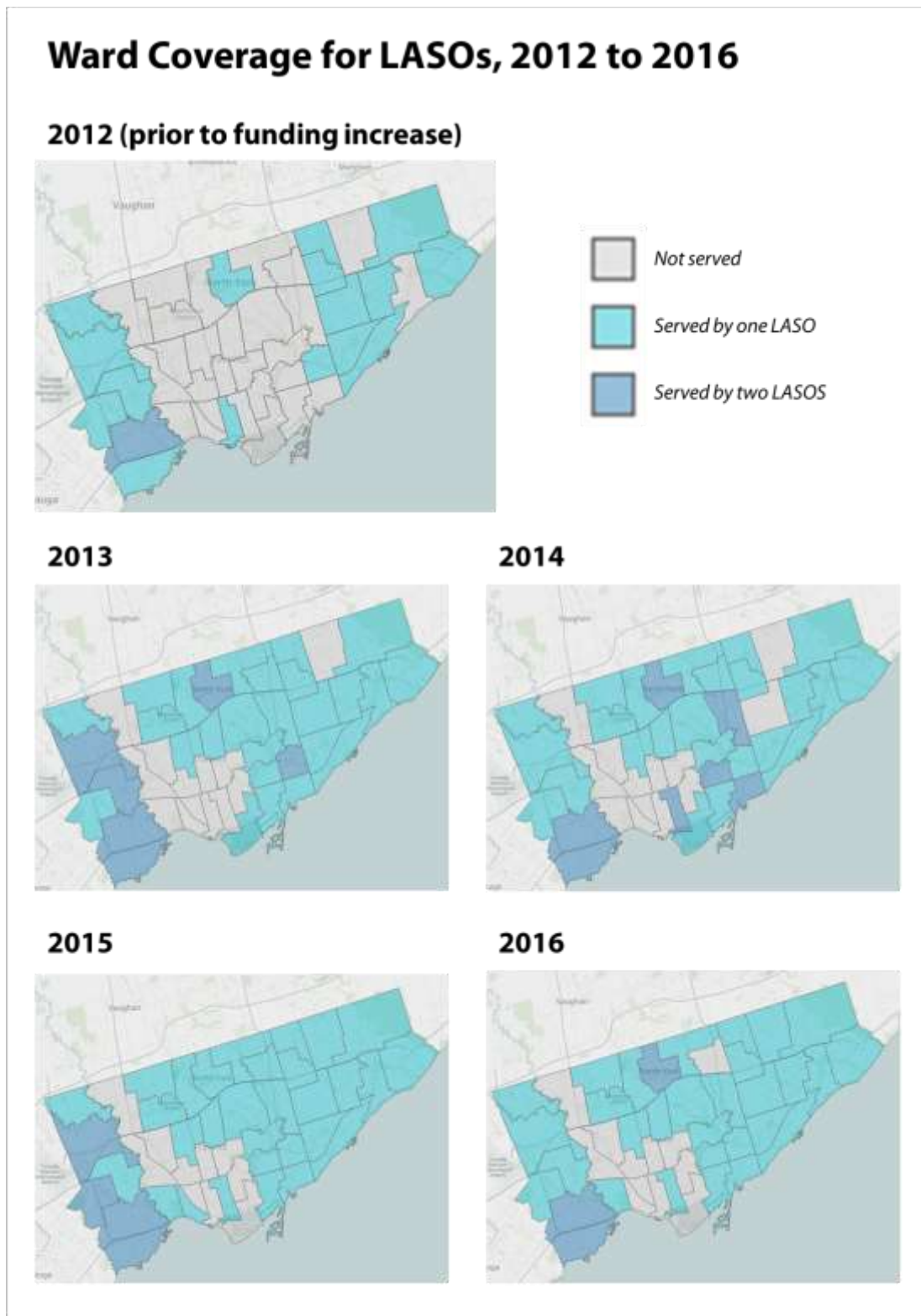
Altogether, the most notable impact of increased funding (and by extension, organizational capacity) has been **LASOs' ability to increase the reach of their service areas**. As LASOs represent all inner suburbs, they are particularly helpful in delivering arts activity outside the downtown core. The following maps illustrate the growth of wards in which LASOs conducted activities from 2012 to 2016.

In addition to enabling LASOs to reach a wider audience, the impact of their larger footprint is multiplied by new partnerships with public and private stakeholders around the wider City of

Toronto. In building these networks, LASOs are creating a foundation to connect future partners with collaborators and funders for their projects, as well as to avail the LASOs themselves to opportunities to deliver ever wider-reaching and relevant local art and priority programming for their communities.

LASOs have embraced the mantle of reaching newcomers and under-served community groups, both as artists and audiences. In the group interview session held with representatives of all LASOs, the participants were especially passionate when describing their role in responding to urgent needs within their areas, and having the capacity to follow through on administratively burdensome projects, such as approving and funding public art installations.

Figure 33: Ward coverage for LASOs, 2012 to 2016



Although the effect was less relevant to some LASOs, several reported that the increased funding contributed to improvements in cultural spaces and facilities. These LASOs have either gone through a recent growth phase or are actively planning to widen their physical presence to increase the accessibility, breadth, and capacity of their programming. Some LASOs tend to focus on helping other organizations find space for artists and facilitating events (rather than running their own programming). As such, this priority objective seems to be well served in different ways by the activities of each LASO.

As many of the anecdotes in this section highlight, LASOs contribute to a wider set of beneficial outcomes than those included in the scope of this study. In particular, their responsiveness to social development, community cohesion, health, and wellness is a notable part of the priorities that LASOs have articulated, and they are well positioned to deliver on these objectives through partnerships with social services and health resources in their communities.

The most significant gaps that LASOs are still working to address are:

- The challenge of finding affordable space in which to deliver programming;
- Keeping up with demand for their services – LASOs continue to operate with minimal staff on shoestring budgets relative to their (growing) geographical footprint; and
- Geographic coverage – Although their geographical coverage has vastly increased from 2012 to 2016, LASOs are limited in the amount of programming that they can deliver to these very broad areas, and they have yet to reach all wards beyond the downtown core.

4.3 Culture Build

4.3.1 Overview

The Culture Build program was the only new stream of funding to which part of the grant increases was allocated (not including the new programs introduced by TAC). Though not an entirely new program, Culture Build was reintroduced in 2013, after it had been discontinued for several years, to address the state of good repair needs of cultural organizations. The granting program provides matching funds to support capital projects related to maintaining facilities through major repairs, renovations and improvements.

The Culture Build program is one tool in a suite of programs and policy initiatives that are aimed at ensuring a supply of affordable, sustainable cultural space. Eligible applicants to the Culture Build program are operating non-City-owned facilities and require support to maintain them in a state of good repair. Affordable space for artists and organizations continues to be one of the greatest challenges to address in a rapidly growing city where real estate values are driven by private development.

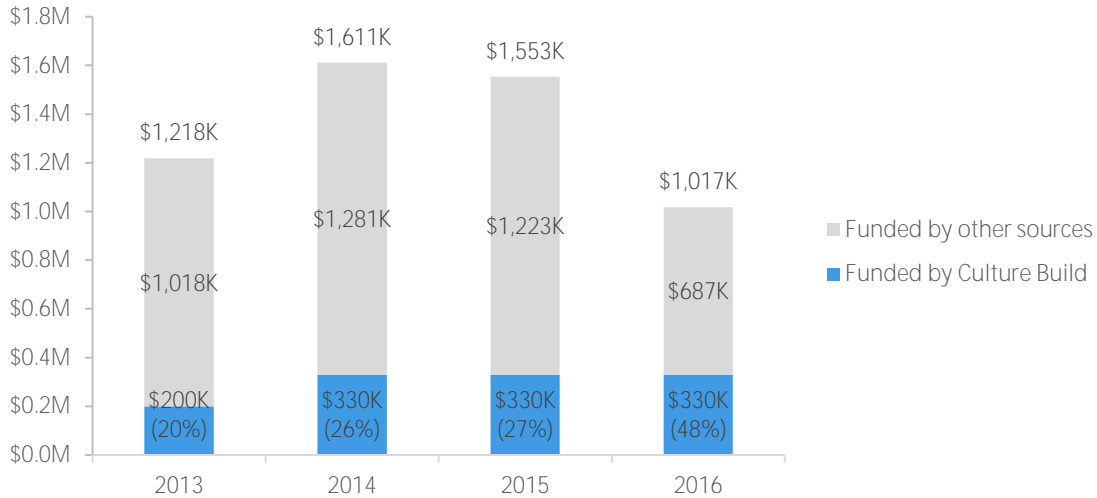
The City of Toronto owns numerous mid-sized theatres such as Young People's Theatre, Buddies in Bad Times Theatre, Theatre Centre, and Theatre Passe Muraille, all of whom have long-term tenancy agreements. The City assumes the capital costs of maintaining these buildings. These theatres, and other facilities are part of the City's community space tenancies, where cultural organizations are able to lease City-owned spaces for below market rent. In turn, the cultural organizations bring programs and services to the communities they serve.

Affordable cultural spaces, as well as housing for artists, is also developed by Artscape, with whom the City partners regularly on major capital projects. Property tax relief is provided to facility operators through a variety of tools from the 40% rebate for registered charities, to full exemptions for other

classes of buildings. Finally, the City is currently working with the Province of Ontario to develop a specific tax class for creative hubs, aimed at sustaining cultural non-profit organizations clustered within private properties.

For the projects that Culture Build supported, its percentage contribution ranged from 20% in 2013 to 27% in 2015. In the following year, it mushroomed to 48% – not because it grew, but because the funding from other sources declined suddenly.

Figure 34: Culture Build, total funded project budgets, 2013-2016



Source: City of Toronto

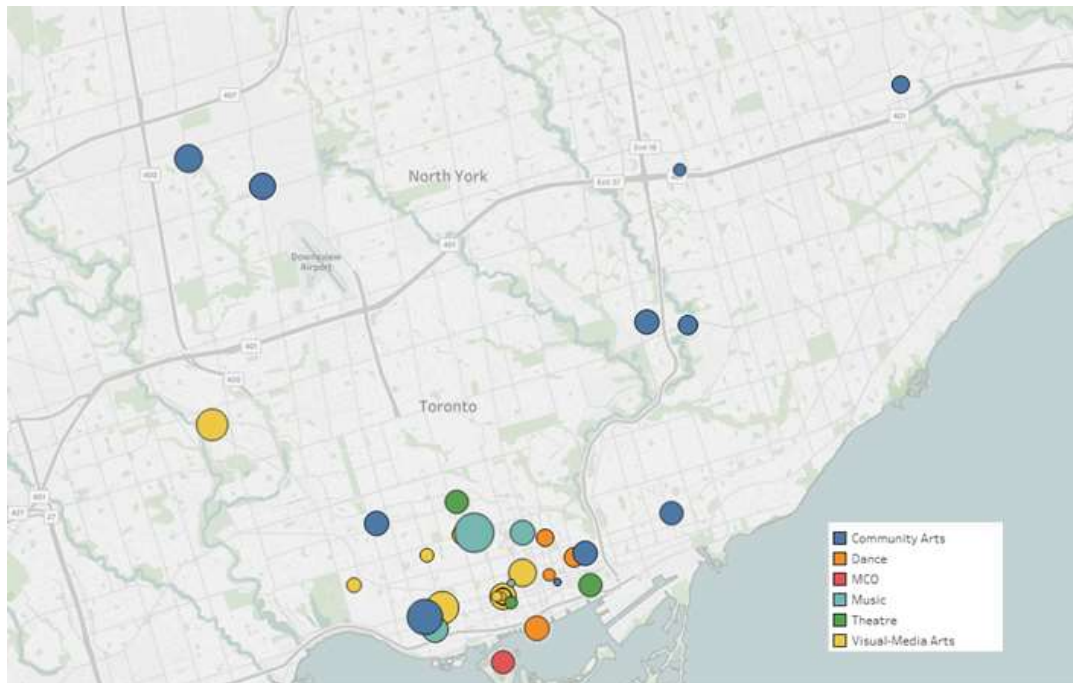
Between 2013 and 2016, 39 organizations received funding from the Culture Build granting program. Grants received ranged from \$4,000 to \$100,000, with an average grant amount of approximately \$30,150, and covered anywhere from 3% to 53% of the total project budget. Over the course of the four years, the Culture Build program received requests for nearly \$2 million, of which the allocated amounts covered approximately 60%.

4.3.2 Contribution to Achieving Priority Objectives

Culture Build is focused on the key objective of advancing **the City's** cultural spaces priority. The program addresses a significant issue faced by facilities-based organizations – that is, the difficulty in raising funds, particularly from private sources, toward the maintenance of a state of good repair.

In addition, the program supports **the City's objective** to increase arts activity outside the downtown core through providing funding for the renovation and maintenance of cultural facilities both within and outside the downtown core – with the latter accounting for 26% of total funds allocated and 23% of grant recipients. The figure below illustrates the geographic distribution of Culture Build grant recipients over the course of the four years. The size of the markers for grant recipients reflects the relative size of grants received.

Figure 35: Map of Culture Build grant recipients 2013-2016



Improved cultural spaces are also inherently linked to increased organizational capacity. As a result of Culture Build grants, arts organizations have been able to expand their programs and better serve their communities. For example, SKETCH moved out of a previous space into Artscape Youngplace in 2014, and the renovation of the new space was in part supported by Culture Build. Sketch now uses this accessible space to engage more marginalized youth in arts activities.

While arts organizations appreciate the City's acknowledgement of space-related challenges through the re-introduction of the program, consultations revealed that the grant amounts are too small to support urgent projects that may be larger in scale.

Improved Cultural Facilities

Showcase: SKETCH

SKETCH is a community arts organization with 20 years of experience creating programs in collaboration with youth navigating poverty and homelessness. SKETCH was based in a space on King Street for ten years before moving to Artscape Youngplace in 2014. Each time SKETCH moves, participation in their programs grows. As Rudy Ruttiman explains, investing in facilities **for youth on the margins demonstrates that their “imagination is worth infrastructure and space.”**

The move would not have been possible without **Culture Build’s funding**. SKETCH hired an architect to transform the former school basement into a hub for flexible programming that meets AODA standards. The space allowed SKETCH to both expand programming and increase internal capacity.

SKETCH established studios at Artscape Youngplace and now offers creative resources that distinguish them from conventional youth drop-ins. In addition to increasing activities in areas like visual arts, pottery and movement, SKETCH also launched a culinary arts program. This program fostered new partnerships with organizations ranging from George Brown College to Kapisanan Philippine Centre for Arts and Culture.

The space also gives SKETCH the opportunity to collaborate with other organizations through a shared platform model. Essentially, SKETCH acts as a trustee and offers mentorship to other community arts organizations. Cue is their longest running platform partner, but SKETCH also **works with ArtReach**. **Several platform partners take advantage of SKETCH’s new space as an administrative centre for programming that takes place throughout the city. These partnerships are reflected in SKETCH’s growing team. They currently have 40 staff on payroll**, including platform partners. However, when they first moved to Artscape Youngplace, they employed fewer than 15 people.

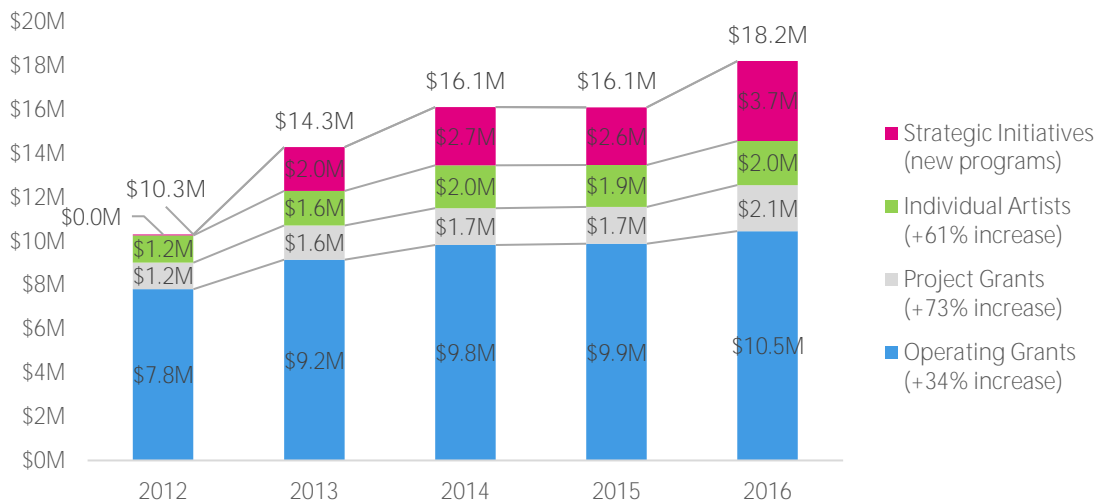
SKETCH also collects demographic data about youth. Between 2015 and 2016 visits to SKETCH programming increased from 7,738 to 9,725. In terms of ethnicity, in 2016 33% of SKETCH youth identified as African/Caribbean, 33% identified as European and 15% identified as First Nations. Moreover, while 51% of youth identified as female, 11% identified as two-spirit, fluid or gender nonconforming and 11% identified as trans. Collecting data in a systematic manner allows SKETCH to track diversity and ensure that programming reflects the needs of youth.

This combination of growth in programming, partnerships and people positions SKETCH as a unique cultural institution that is youth-driven in everything it does. Although it took years for this model to develop, SKETCH is now looking ahead to social enterprise opportunities to make full use of their space. This includes increasing fundraising revenue from venue rentals. No matter what partners or programs SKETCH brings to their new space, their activities are driven by the idea of youth self-direction through the arts.

4.4 Overview of Allocations to the Toronto Arts Council

The Toronto Arts Council, the arm's length entity that awards arts funding to individuals and organizations, accounts for the largest share (approximately 60%) of the City's cultural grants. The figure below illustrates increases to TAC's granting program from 2012 (the base year) to 2016.

Figure 36: TAC grants allocations, 2012-2016



Source: TAC Grants Allocation Summary (2012-2016)

The increased investment in arts and culture by the City was allocated by TAC in accordance with findings from extensive consultation with its stakeholders, which resulted in the identification of the following key objectives:

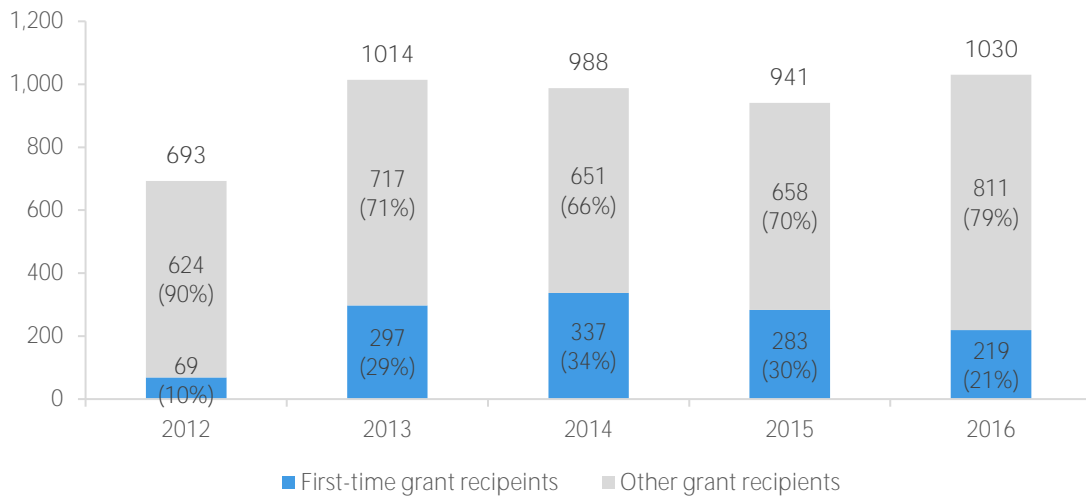
- Growth and Sustainability of organizations receiving operating grants, a stream that consisted of significant inequities and gaps resulting from many years of stagnant funding.
- Community Connections, achieved through support for initiatives that engage communities and youth, and Torontonians who live outside of the downtown core.
- Innovation and Partnerships, through increased responsiveness as reflected in the newly introduced targeted, strategic streams of funding.

Like the City's cultural grants, TAC funding also operates as part of a broader ecosystem of public and private support for the arts. As such, TAC's allocation of new funding across its granting programs reflects a consideration of this broader landscape, and an attempt to maximize the leverage of its support to organizations - in a way that accounts for the available support from other levels of government as well as the private sector.

At the same time, TAC perceives its role to be somewhat unique within this ecosystem, as it offers a more accessible level of service than other funders of Toronto arts organizations. This level of service includes discipline-specific grants officers that are available to meet with organizations, a volunteer jury process that is intimately familiar with the cultural community, and juries and committees that understand the realities of making art in an urban centre and the inherent competition.

TAC's allocation of new funding enabled numerous new individuals and organizations to access municipal support for their cultural and artistic work. As shown in the figure below, there was a significant increase in the number of first-time TAC grant recipients after the increase in funding.

Figure 37: First-time TAC grant recipients as a portion of all grant recipients, 2012-2016



Source: Toronto Arts Council

The following sections examine, in further detail, each specific TAC granting stream.

4.5 TAC Operating Grants

4.5.1 Overview

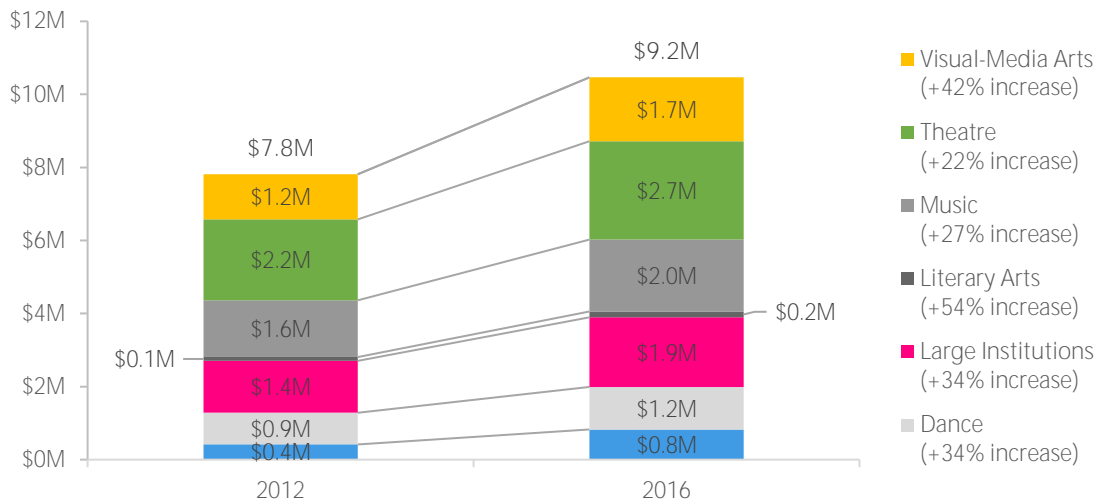
TAC's operating grant programs provide funding for the ongoing activities of organizations. The application process occurs on an annual or staggered multi-year basis, where the allocation to an organization is determined for the following one and three fiscal years, respectively.

To be eligible as a first-time applicant to the operating grant stream, organizations must be able to demonstrate their sustainability. They must be operating as a professional arts organization with sustained activity in their discipline for two years prior to application. They must have received at least two project grants from TAC, have adequate administrative, management and governance structures in place, and meet a minimum revenue threshold (ranging from \$65,000 to \$100,00 per year, depending on the discipline) from a range of public and private sources.

After two years of receiving annual operating funds, organizations may be eligible to enter the multi-year stream, if one exists in their discipline. At the same time, while operational funding is a major source of stability for organizations, it also requires a degree of capacity to cover added administrative work in the form of bookkeeping and, for organizations with larger budgets, a mandatory annual audit. While merited, these requirements serve as another barrier for small and emerging arts organizations.

As shown in the section above, overall allocations to operating grants increased by 34% between 2012 and 2016. **The breakdown of this increase across TAC's seven discipline areas is shown in Figure 38.**

Figure 38: TAC operating grants, allocation by discipline, 2012 and 2016



Source: Toronto Arts Council

The largest proportional increase in allocations was seen in the Community Arts Program, which nearly doubled in terms of total funding allocations between 2012 and 2016 – although from a small base. The program covers organizations that enable collaborative arts activities, often across art practices, that involve professional artists and community members.

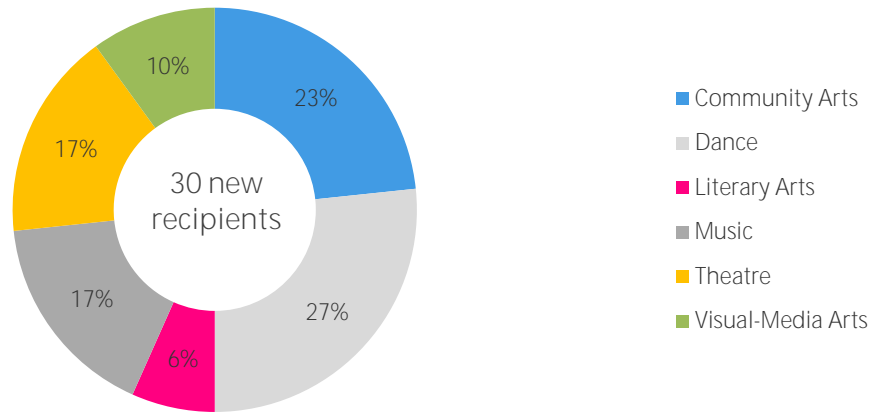
4.5.2 Contribution to Achieving Priority Objectives

The key priority objectives contributed to by TAC’s operating grants are increased organizational capacity and increased activity outside the downtown core. TAC also contributes to the other priority objectives, but primarily through its strategic initiatives (discussed in detail in Section 4.7).

Increased Organizational Capacity

While the entry criteria for the operating granting stream serves as a barrier for many arts organizations, particularly those that are in the earlier stages of their development, there are ways to encourage new organizations to apply for funding. However, it would involve some form of reallocation of funds among existing and new organizations. In other words, accommodating more new and worthy recipients means decreasing or discontinuing funding for some existing recipients. New operating grant recipients have demonstrated their impact, and most are in the Community Arts discipline. **However, many organizations deemed “ready” for funding, will not obtain this funding without some form of reallocation or new funds granted.**

Figure 39: TAC operating grants, number of new recipients, by discipline⁵²



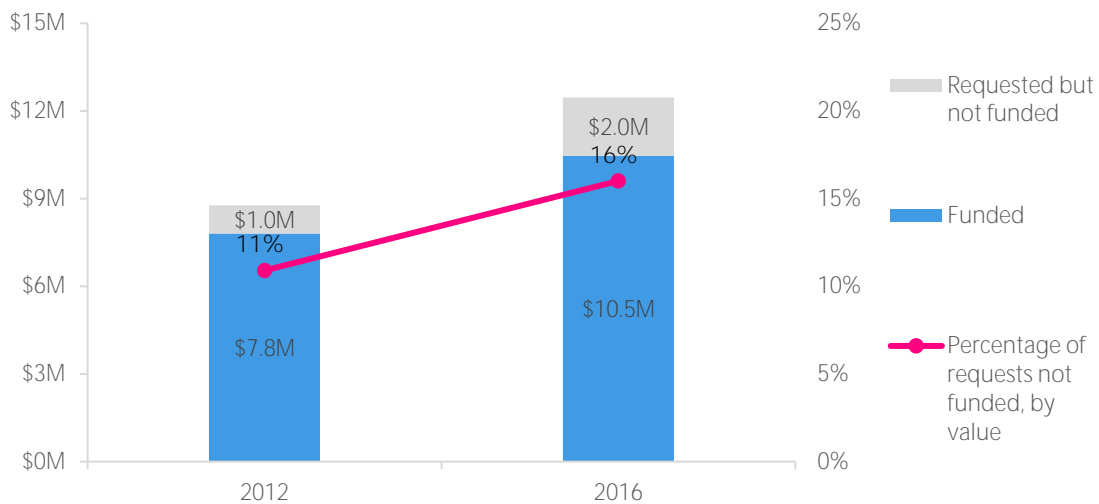
Source: CADAC and Toronto Arts Council

The new recipients to the operating grant program leveraged their increased capacity to expand their programs, and in many cases, bring new artistic practices **into TAC's portfolio**. For example, Why Not Theatre, which was viewed as a smaller organization when they were brought on, now has the capacity to run two festivals and has significantly expanded its breadth of work. Organizations such as Wavelengths – a DIY indie music festival, the Comic and Graphic Novel Festival and the Toronto Sketch Comedy Festival are examples of how increased funding has allowed new forms of artistic practice to be supported. They also provide communities across the city with a more diverse range of cultural activities with which to engage. Other notable examples of new funding recipients include HotDocs, Manifesto, Unity Charity, Remix Projects and Aluna Theatre.

Figure 40 illustrates the change in the total amounts requested by organizations in 2012 and 2016, as well the amounts allocated through the granting program.

⁵² New recipients are organizations that did not receive operating funding in 2011-2012 but did in the following years.

Figure 40: TAC operating grants, total requested and allocated amounts, 2012 and 2016



Source: Toronto Arts Council

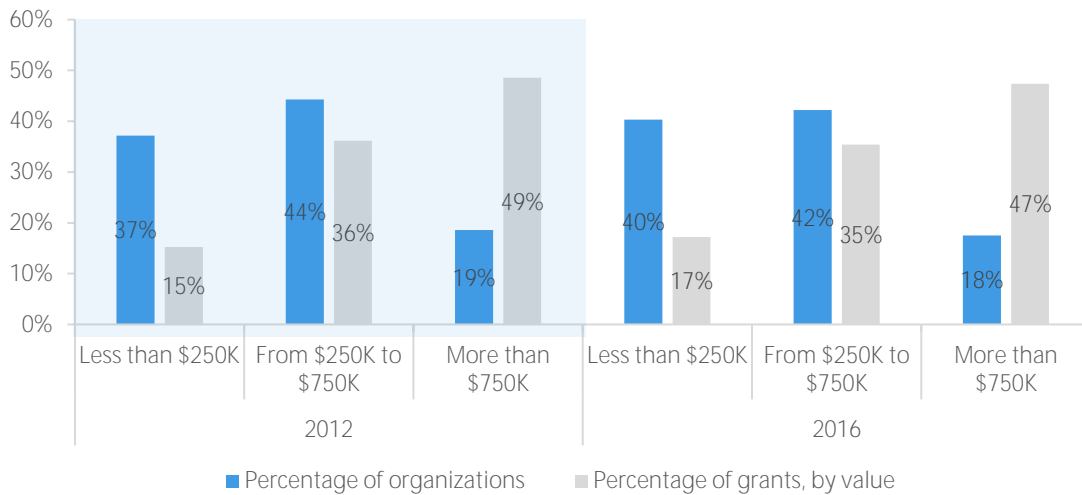
As shown above, the amount of total operating funding requested increased by over 40% between 2012 and 2016, while the total operating funding allocated grew at a relatively slower pace (34%). The resulting increase in the proportion of requests not funded by TAC shows that despite the funding increases, the demand is growing for funding to support ongoing operations.

In part, this rising demand is a result of the conditions created around the time of **Toronto's** amalgamation followed by years of stagnant funding levels. TAC estimates that a \$6 million gap existed in the form of funding inequities across organizations; the new funding since 2013 addressed just over half (\$3.3 million) of this amount.⁵³ Indeed, consultations revealed that while organizations have benefitted from the increased funding, they still face challenges in being able to deliver programming while keeping up with rapidly increasing facilities-related costs. In addition, the increased operating funds have not yet reached the point where organizations are able to pay "adequate" wages to staff, and thus face the challenges of retention as staff leave for other, higher-paying sectors.

TAC's allocation of increased operating funds has also resulted in an increased amount of funding for small arts organizations, contributing to increased capacity to deliver professional arts programming. Figure 41 shows the distribution of operating funding and the number of organizations receiving annual operating grants, by organizational size. The change has been slow and incremental.

⁵³ <http://www.toronto.ca/legdocs/mmis/2016/ed/bgrrd/backgroundfile-95885.pdf>

Figure 41: TAC operating grants, distribution of recipients and funding allocation, by organizational size⁵⁴



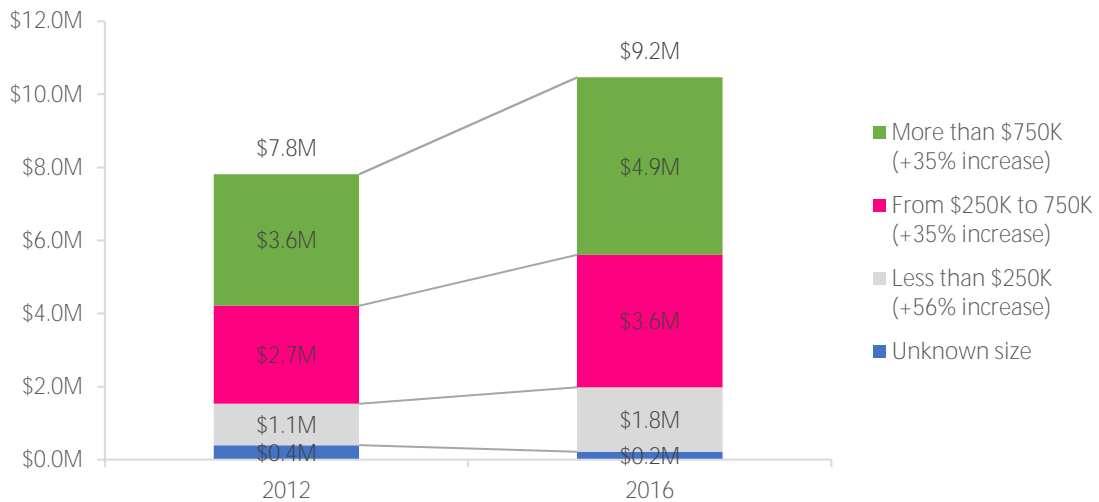
Source: CADAC and Toronto Arts Council

The percentage of small organizations (with less than a \$250,000 operating budget) that received TAC operating funding increased from 37% to 40% from 2012 to 2016. In the same period, the percentage of large organizations (with operating budgets of more than \$750,000) decreased from 19% to 18%. At the same time, the percentage of funding (in dollars) that was received by small organizations increased from 15% of total funding to 17%, and large organizations, from 49% to 47%.

Figure 42 shows that the dollar amount of funding directed to small organizations grew by 56% from 2012 to 2016, while funding to the largest organizations grew substantially as well, although in percentage terms by a more modest 35%. Although they are not depicted in the chart, the smallest organizations (with an operating budget of less than \$100K) received the greatest increase in funding, with a 95% increase from 2012 to 2016 – albeit from a very small base.

⁵⁴ Organizational size categories based on total operating budget.

Figure 42: TAC operating grants, total funding allocation by organizational size

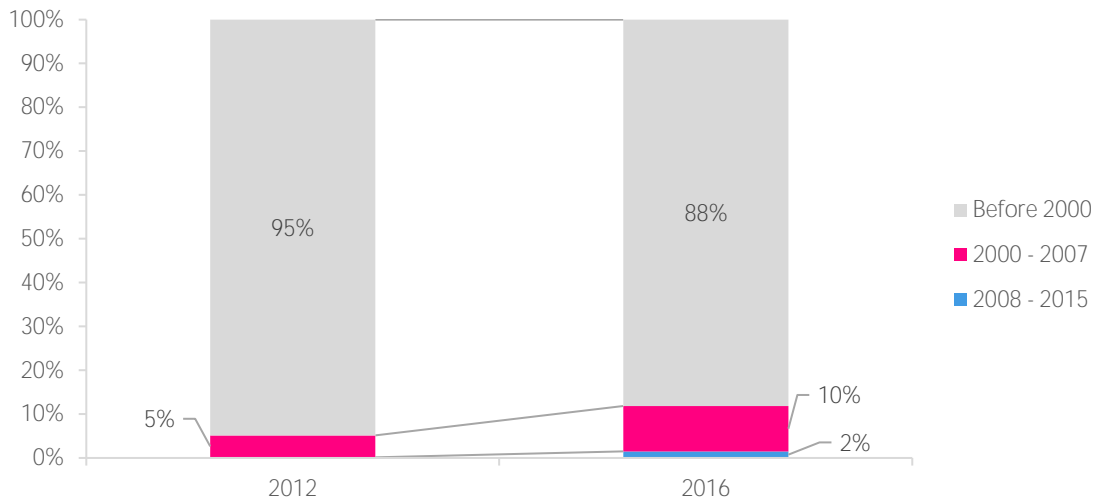


Source: CADAC and Toronto Arts Council

The eligibility requirements of TAC's operating grants limit the ability of organizations in the early stages of development to access ongoing annual funding. At the same time, these requirements ensure that organizations demonstrate a high degree of structural and programmatic sustainability before being accepted into the operating stream.

While the majority of operating grants continue to be allocated to organizations with a long history in the sector (i.e., those that were established in the 1990s or earlier), newer organizations are starting to receive a larger portion. In 2016, the amount of funding to organization founded after 2000 increased from 5% to 12%, as shown in Figure 43.

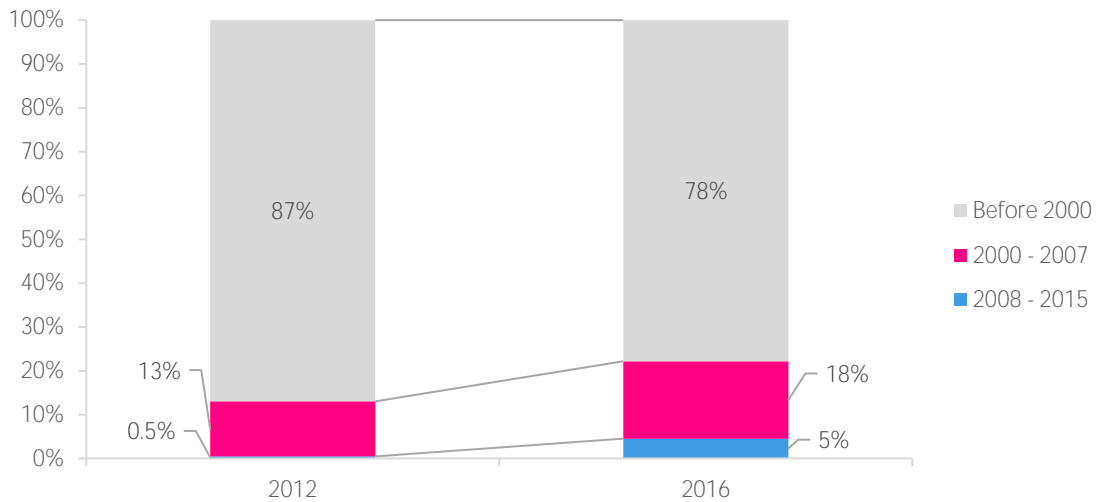
Figure 43: TAC operating grants, breakdown of funding allocation by tenure⁵⁵



Source: CADAC and the City of Toronto

Looking at operating funding allocations by the number of recipients, CADAC data reveals, not surprisingly, that a much higher number of organizations established after 2008 have now entered the annual granting stream.

Figure 44: TAC operating grants, breakdown of recipients by tenure

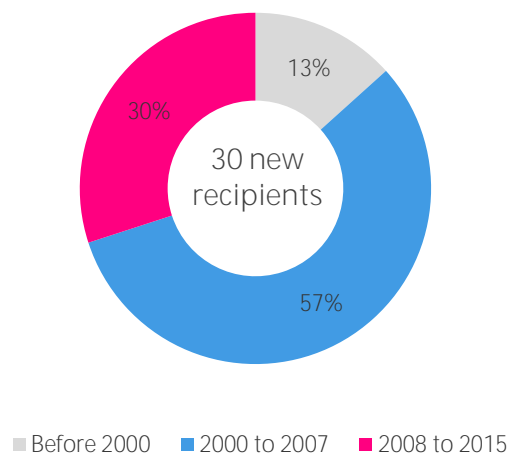


Source: CADAC and the City of Toronto

⁵⁵ Tenure categories based on date of foundation.

Data from CADAC and TAC also revealed that organizations established after 2008 account for 30% of new entrants into the operating grants program, demonstrating a shift in funding allocations by tenure to include more emerging arts practices (see Figure 45).

Figure 45: TAC operating grants, breakdown of new recipients (2013-2016) by tenure



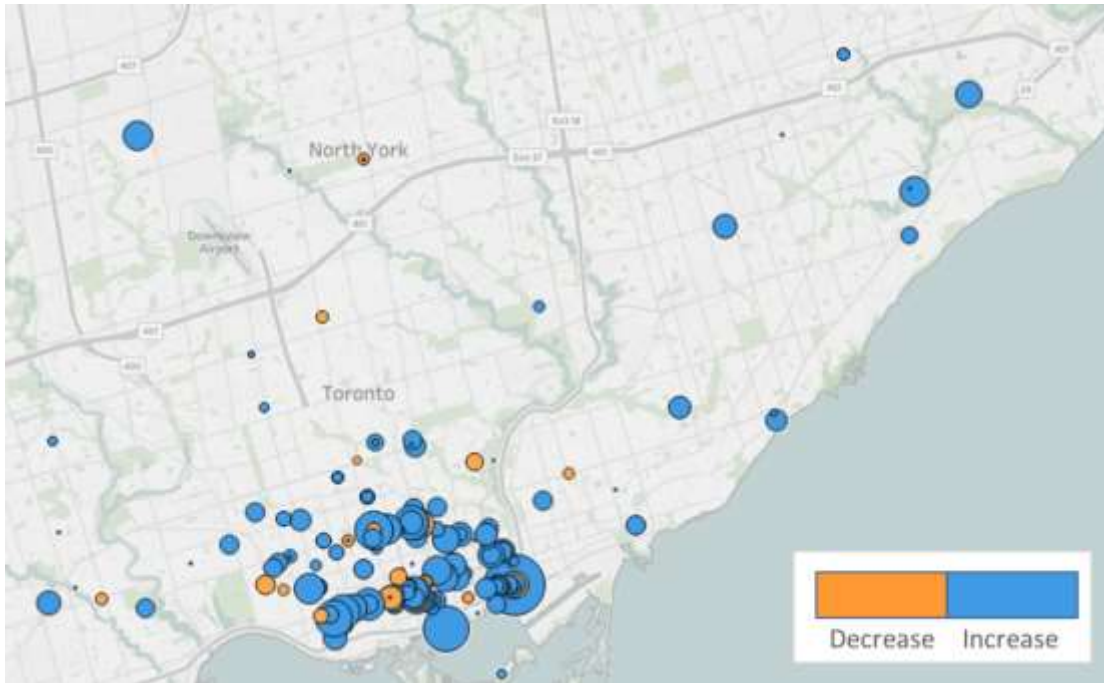
Source: CADAC, Toronto Arts Council and the City of Toronto

As noted earlier, these new entrants have brought new artistic voices and practices into TAC's portfolio, and continue to contribute to the diversity of cultural experiences available in Toronto.

Arts Activity outside the Downtown Core

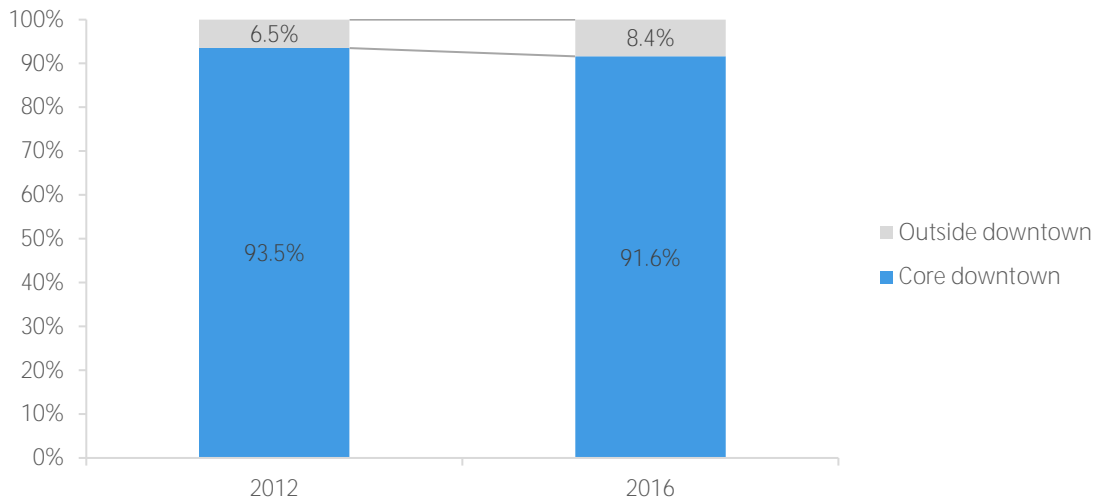
TAC operating grants have also contributed to the decentralization of funding beyond the downtown core to support increased arts activity in Toronto's inner suburbs. Figure 46 shows the incremental change in TAC operating grant allocations from 2012 to 2016, with blue markers representing increases and orange markers showing decreases in funding to recipient organizations.

Figure 46: Map of incremental increases to TAC operating grants, change from 2012 to 2016



As shown above, while there was a higher density of funding increases in the downtown core, the distribution of incremental increases does span non-core organizations including the Art Gallery of York University (AGYU) in North York, MABELLEarts in Etobicoke, and Mural Routes in Scarborough. In fact, the total amount of operating grants allocated to arts organizations outside the downtown core increased by almost 70% between 2012 and 2016 (see Figure 47).

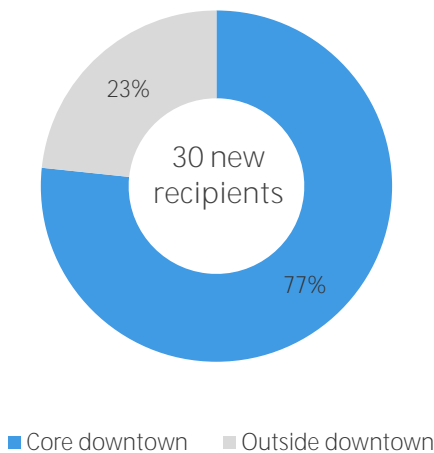
Figure 47: TAC operating grants, breakdown of funding allocation, by area⁵⁶



Source: CADAC and City of Toronto

Organizations operating outside the downtown core still only accounted for a small portion of total operating funding (8.4% in 2016, up from 6.5% in 2012) and the geographic shifting of resources has been incremental. However, as shown in Figure 48, nearly one-quarter of new recipients of TAC’s operating grants over the four years were located outside the core.

Figure 48: Operating grants, new recipients, by area



Source: CADAC and City of Toronto

⁵⁶ Note: Area is determined by the Primary Service Ward reported by organizations.

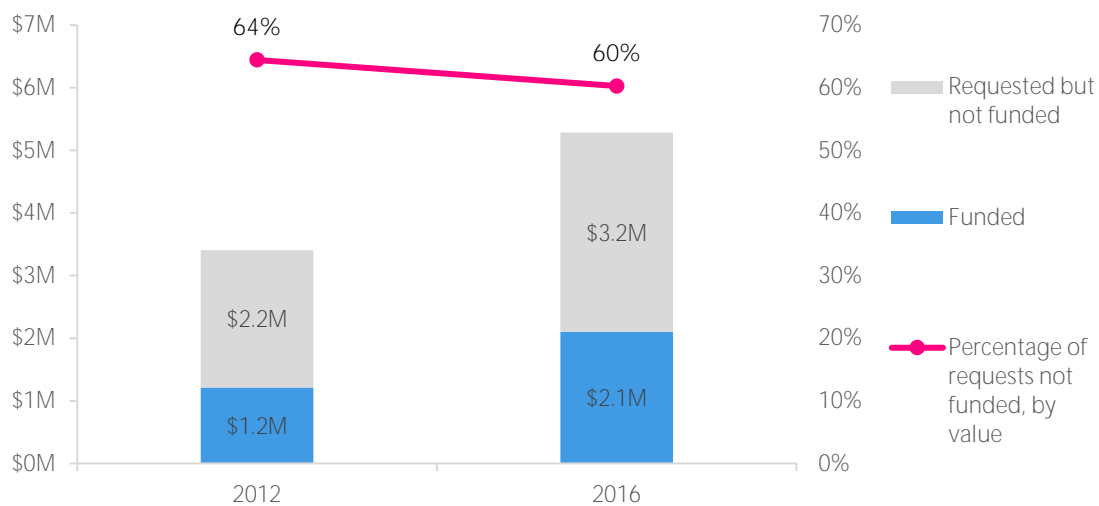
Data from CADAC, TAC and the City of Toronto revealed that organizations operating outside the downtown core that were newly approved for operating grants from 2013 to 2016 represented 23% of total new entrants to the program. While still a small part of the total activities, it does demonstrate **TAC’s ongoing prioritization of increased arts activity outside the downtown core.**

4.6 TAC Grants to Projects and Individual Artists

4.6.1 Overview

TAC’s project grant programs provide funding for one-time or time-limited arts projects in each of the disciplines. From 2012 to 2016, total project grant allocations increased by 73%. Demand for project funding continued to increase during that time but at a slightly slower pace. In 2016, TAC did not fund 60% of project funding requested (by dollar amount), down from 64% in 2012.

Figure 49: TAC project grants, total funding requested and allocated

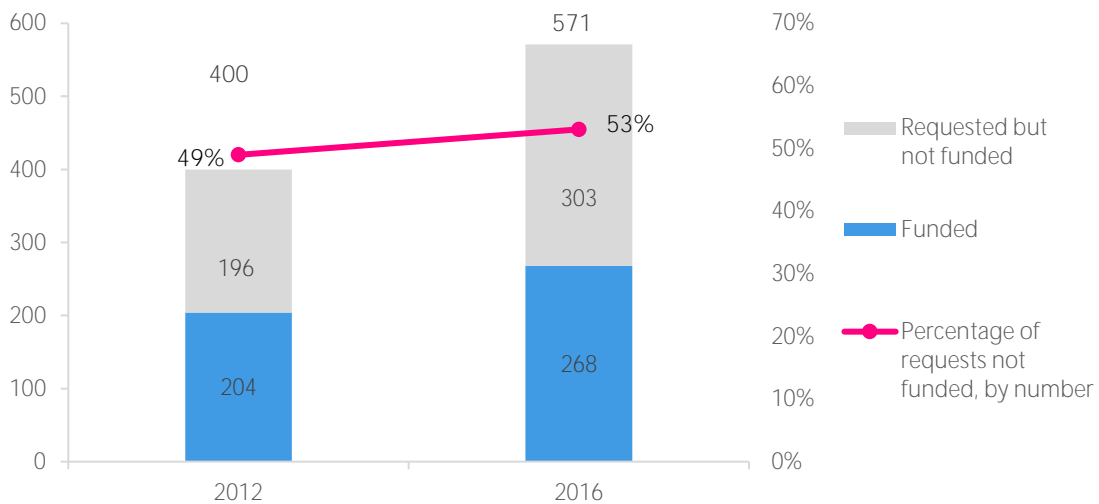


Source: Toronto Arts Council⁵⁷

From 2012 to 2016, the number of projects funded (regardless of the grant amount allocated), grew from 204 to 268 (a 31% increase). At the same time, the number of project grant applications received grew by 42%, and the percentage of applications not approved for project funding increased from 49% in 2012 to 53% in 2016.

⁵⁷ Note: “Project” funding awarded to dance individuals as individual grants are included here, while all other individual grants are discussed later in this section.

Figure 50: TAC project grants, number of projects requested and allocated

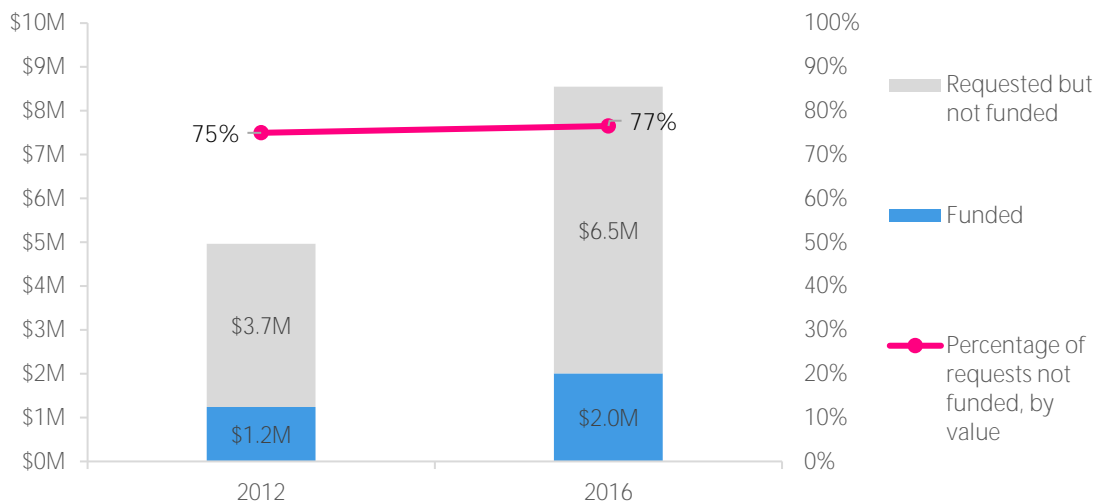


Source: Toronto Arts Council

It seems that while overall allocations to project grant programs increased overall during the period, TAC supported fewer projects in proportion to the number of applications received, and was likely to support larger projects during this time.

TAC also provides grants to individual professional artists through its Visual Artists, Playwrights, Writers and Music Creation & Audio Recording Programs. From 2012 to 2016, total grant allocations to individual artists increased by 61%. Demand from individual artists continued to increase during that time but at a slightly faster pace than the allocations. In 2016, TAC did not fund 77% of funding requested (by dollar amount) by individual artists, up from 75% in 2012.

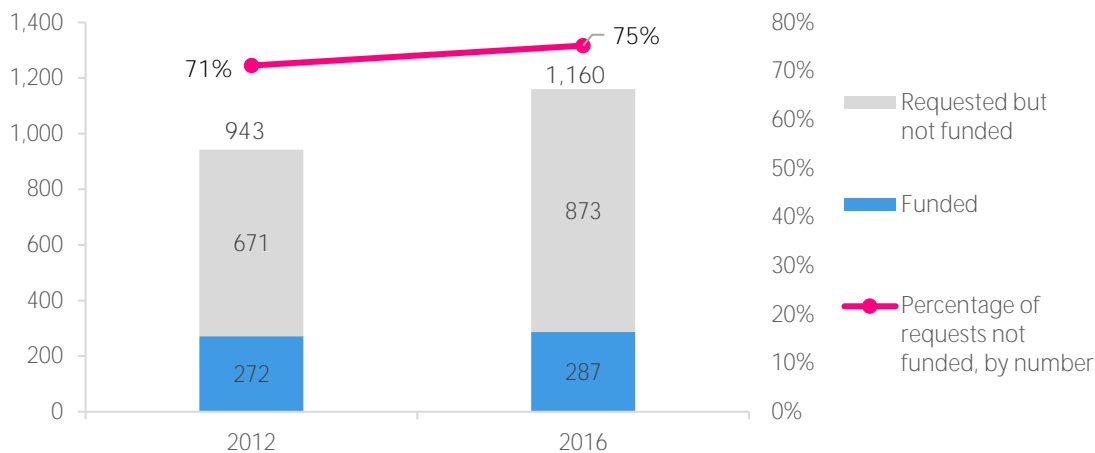
Figure 51: TAC grants to individual artists, total funding requested and allocated



Source: Toronto Arts Council

From 2012 to 2016, the number of individual artists that applied for funding from TAC grew from 943 to 1,160 (a 23% increase). The number of approved applications only increased by 5%, showing that TAC supported relatively larger artist requests.

Figure 52: TAC grants to individual artists, number of applications received and funded



Source: Toronto Arts Council

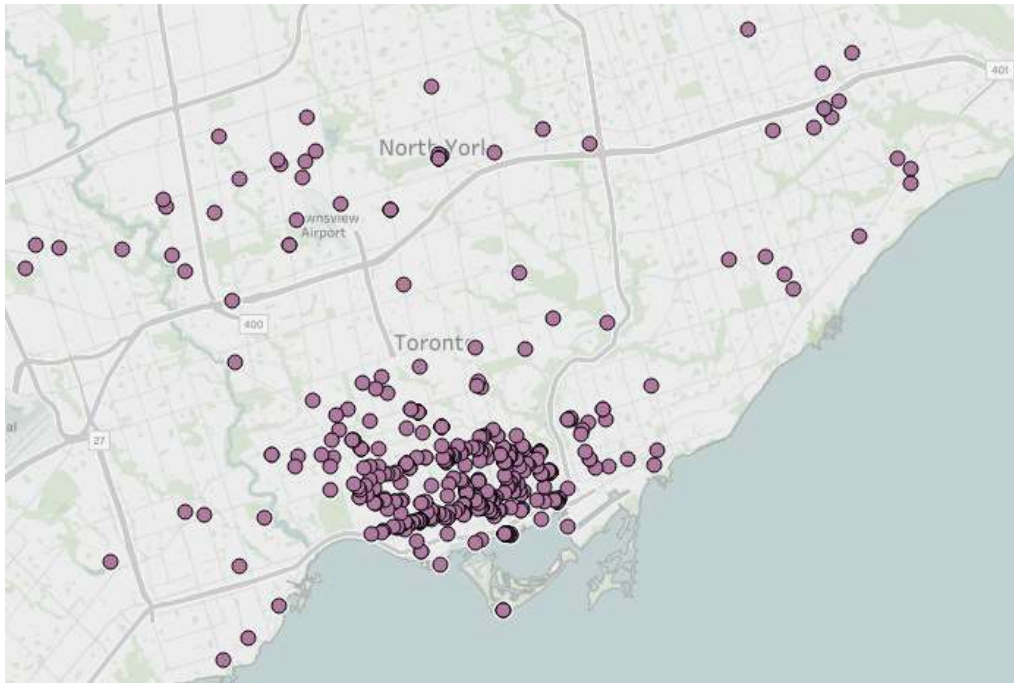
Despite the increases in funding to both the individual artist and project streams, there is still significant unmet demand. While it is likely that some of the unfunded applications did not meet the standards of artistic merit against which they were evaluated, the funding limitations remain a barrier to accessing support.

4.6.2 Contribution to Achieving Priority Objectives

Increased Arts Activity Outside the Downtown Core

TAC’s project funding was distributed across the city, as shown in Figure 53. Project funding enabled both organizations receiving operating grants as well those that do not, to realize projects that engage artists and audiences from Toronto’s downtown core as well as the inner suburbs.

Figure 53: Map of TAC project funding recipients



Increased Organizational Capacity

As discussed in Section 4.4, hundreds of grant recipients received support from TAC for the first time between 2013 and 2016. Project and individual grants serve as accessible entry points into the public funding ecosystem. Support for artists remains at the core of creative production in the city, and the **increases to TAC's grant allocations have allowed more artists to develop larger artistic projects.** **Project grants, which accounted for the largest proportional increase to funding among TAC's** existing grant programs, allowed new organizations to begin to develop the capacity required to deliver arts programming on an ongoing basis and ultimately become eligible for annual operating support.

4.7 TAC Strategic Initiatives

4.7.1 Overview

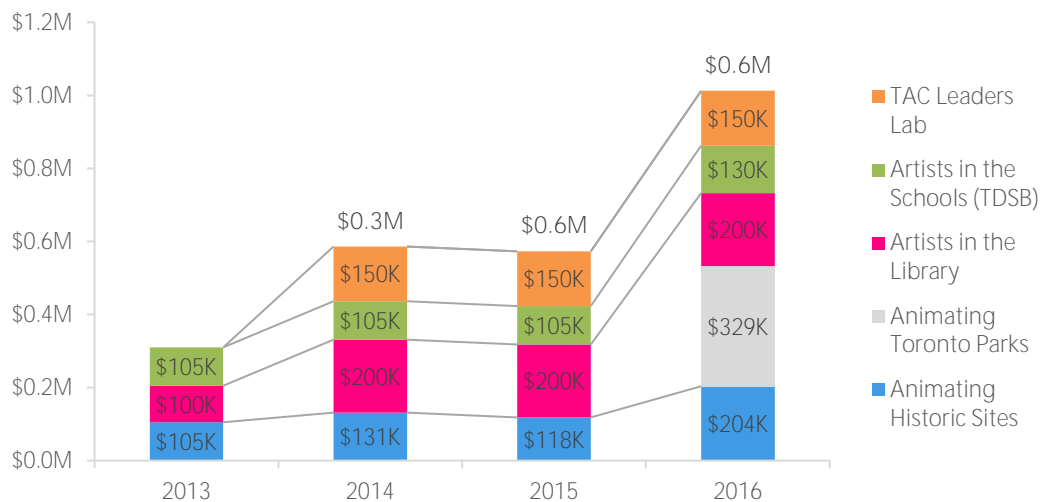
In addition to operating grants and project grants, TAC also offers strategic funds to respond to specific needs within the arts community. This section provides an overview of these strategic initiatives organized into three groups:

- Partnership programs administered with other social and economic organizations;
- Strategic partnerships that facilitate collaboration between arts organizations; and,
- Specialized funding streams such as the Open Door program, Targeted Enhancement Funding and Performing Arts Facilities Support.

Partnership Programs

The following chart shows the allocation of TAC funding toward partnership programs. Taken together, these programs demonstrate one way that TAC used new funding to develop innovative approaches to supporting arts and culture in Toronto. While only \$320,000 was allocated to three programs in 2013, \$1,013,000 was granted to five programs in 2016. Moreover, all of these programs were established during the study period.

Figure 54: TAC strategic initiatives grants, allocations to Partnership Programs, 2013-2016



Between 2012 and 2016, TAC developed new funding opportunities in partnership with other local organizations. Animating Historic Sites, Animating Toronto Parks and Artists in the Library enable artists to create art in unexpected spaces and extend programming outside of the downtown core:

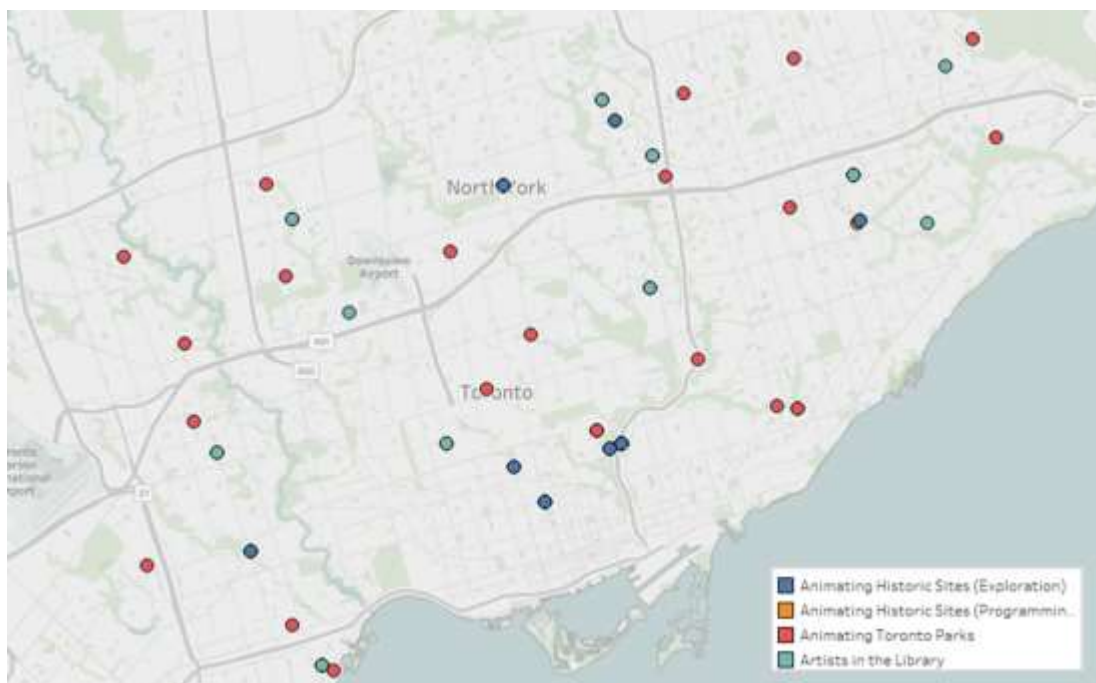
- Animating Historic Sites is a partnership with City of Toronto Museum Services and Evergreen Brick Works. Since 2015, it gives artists the opportunity to reimagine six historic sites as well as the Brick Works. With the support of this program, Kaeja d'Dance partnered with KeepRockinYou, the first all-girls hip hop group in the country, to create a performance at Montgomery's Inn. This collaboration was a valuable learning opportunity for pre-professional dancers and exposed audiences to multiple disciplines in a heritage venue.
- Animating Toronto Parks is a partnership between TAC, the Toronto Arts Foundation, the City of Toronto Arts & Culture Services, Toronto Parks, Forestry and Recreation, and local

nonprofit Park People. Launched in 2016, this program enables free, creative activities led by artists in Toronto parks. For example, this funding allowed MABELLEarts to expand programming to Broadacres Park and develop a partnership with the Arab Canadian Community Centre to work with Syrian refugees. Moreover, Park People supports capacity building for the Arab Canadian Community Centre, to encourage shared outdoor activities in the neighbourhood, and a culture of environmental stewardship.

- Artists in the Library is a partnership between TAC and the Toronto Public Library. The initiative started in 2014 and funding is available for artists to create new work at 11 library branches.

Figure 55 maps the locations of programs supported through these three streams of programming.

Figure 55: Map of Animating Historic Sites, Animating Toronto Parks, and Artists in the Library, 2013-2016



As well as working outside of the downtown core, TAC has partnered with the Toronto District School Board to create opportunities for youth. Since 2013, TAC has contributed to tdsb/CREATES, an annual arts festival for TDSB students. In particular, TAC funds mentorships and residencies in schools. Although detailed data is not available for every year of the program, the table below summarizes TAC’s involvement in tdsb/CREATES.

Table 7: Participation in TAC-funded tdsb/CREATES programs

Residency and Mentoring Programs	2013	2014	2015	2016
Number of participating schools	56	48	72	129
Number of students reached	Unlisted	2,500	4,800	3,261
Number of artists involved	50	47	47	61

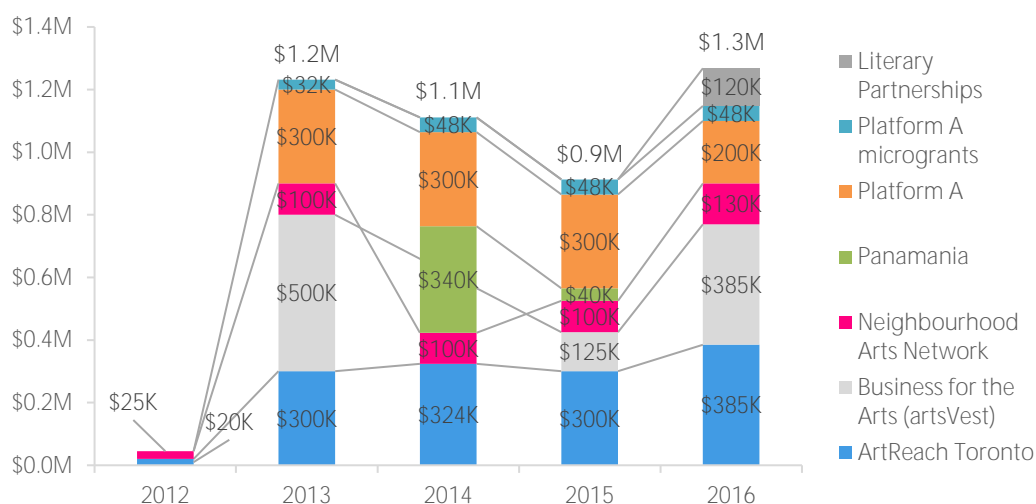
As seen in the table, participation in all aspects of the TAC-supported programming at TDSB grew over the course of the study period. The number of schools involved more than doubled, from 56 in 2013 to 129 in 2016. The number of artists working in schools also increased from 50 to 61.

Finally, the TAC Leaders Lab is a partnership with the Banff Centre that enables Toronto artists to access national opportunities for professional development. The program consists of a week-long retreat in Banff as well as a series of activities in Toronto over the course of a year. Between 2015 and 2016, the Leaders Lab nurtured a network of 36 mid to senior-level arts leaders who have experience working together and collaborating across disciplines.

Strategic Partnerships

TAC also supports initiatives that encourage arts organizations to partner with one another and leverage funding from other sources. The following chart shows that funding in these areas increased more than twenty-fold, from \$50,000,000 in 2012 to \$1.3million in 2016.

Figure 56: TAC strategic initiatives grants, allocations to Strategic Partnerships, 2013-2016



Source: Toronto Arts Council

ArtReach was founded in 2004 as a collaboration between the Department of Canadian Heritage, the United Way of Greater Toronto and the Ontario Trillium Foundation, with participation from the Ontario Arts Council and TAC in recognition that youth in Toronto had limited access to arts experiences that reflected their own lives. Today, ArtReach offers grants to emerging artists and a series of in-depth professional development workshops on topics ranging from how to write a grant to how to develop individual artistic practices. Although not all of the initial funders remain involved in the initiative, TAC remains a key supporter. Initiatives such as KeepRockinYou and (mus)interpreted **have received support from ArtReach and gone on to secure funding from TAC. TAC's initial investment in ArtReach was \$10,000, however in 2016 TAC contributed \$280,000 toward ArtReach's programming and an additional \$105,000 toward administration. In effect, TAC has become the organization's primary funder.**

While increased funding to TAC has strengthened partnerships with existing organizations, it has also encouraged the creation of new partnerships between arts organizations. Platform A is a collaboration between VIBE Arts, Jumblies Theatre, SKETCH and Art Starts. Each organization had an established community arts practice but focused on different areas of the city and employed

distinctive approaches to connect with youth and other community members. New funding transformed both programming and internal capacity at these organizations. First, Platform A encompassed a microgrant program and each partner organization administered small awards of under \$1,000 to participants to support young and emerging artists.

In addition, Platform A has strengthened the capacity of the partners by providing opportunities for them to support one another. The initiative allowed senior leaders from each organization to get together on a regular basis for knowledge transfer. This process also had the unanticipated consequence of encouraging the partner organizations to cooperate in other areas of their operations, such as HR and the management of benefits. In the chart above, Platform A funding for internal capacity building and microgrants are shown separately.

Another program that strengthened the capacity of arts organizations is the partnership between TAC and artsVest. By working with arts organizations to develop business skills and build networks, artsVest generated almost \$2.8 million in private sector investment in the arts.

Similarly, the PANAMANIA grants managed by TAC enabled organizations to secure other sources of private and public funding. Although the PanAm Games in 2015 provided a one-time opportunity for arts and culture programming in the city, this funding stream had a lasting impact on the organizational capacity and creative confidence of organizations. For example, Tangled Art + Disability produced an original theatre performance in collaboration with a company from New York. The PANAMANIA **grant in support of this show was equal to Tangled's annual operating budget in previous years.** However, the grant enabled the organization to develop the skills to manage a complex team and develop a performance. As a show of confidence from a major funder, it also allowed Tangled to access funding from both the Department of Canadian Heritage and corporate sponsors.

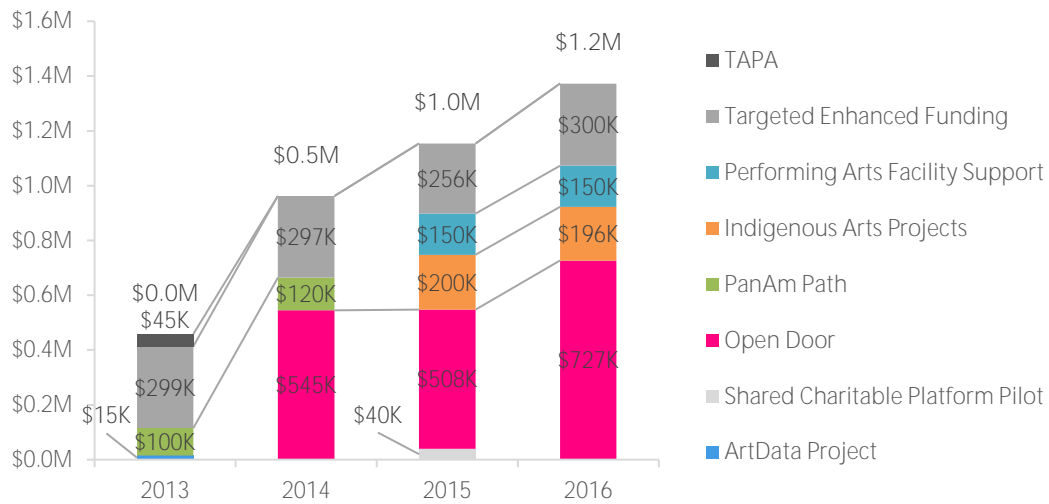
Strategic Allocations

TAC also developed new funding programs in response to increases in their granting capacity. This process built on the findings of a community consultation process conducted in 2009, which enabled the organization to plan for potential future funding increases. Specifically, this section looks at the impact of:

- Open Door funding,
- Performing Arts Facilities Support,
- Targeted Enhancement Funding,
- the Shared Charitable Platform Pilot, and
- Indigenous Arts Projects.

Figure 57 shows steady increases in strategic allocations to these programs between 2013 and 2016. It also indicates the development of a more systematic approach to distributing this funding. For instance, while Toronto Alliance for the Performing Arts (TAPA) received one-off support in 2013, the establishment of Open Door the following year allowed other organizations to pursue similar initiatives under the umbrella of an adjudicated process. The Shared Platform Pilot is another example of a one-off program made possible by the increase in municipal funding.

Figure 57: TAC strategic initiatives grants, Strategic Allocations, 2013-2016



Source: Toronto Arts Council

Open Door is a grant program that responds to the need to scale innovative solutions to key challenges across the sector by encouraging risk taking. Specifically, Open Door aims to support market development and exceptional shared solutions and models that do not otherwise fit into funding streams. TAC grant officers observed self-censorship in the arts community after years of underfunding. The following maps shows the location of organizations that have received Open Door grants.

Figure 58: Map of Open Door grant recipients



Following a series of one-off meetings, Open Door emerged as a process rather than a program to distribute funds quickly and efficiently while still incorporating an adjudication process. Evaluators prioritize projects that create collaboration between organizations and have an impact on the arts sector or the city more broadly. In the words of one TAC grant officer, Open Door comes from the **feeling that “we know your idea doesn’t fit with any of our programs, but we want to hear about it anyway.”** After initial successes in Toronto, the model has attracted interest in other jurisdictions and Conseil des arts et des lettres du Québec is developing their own program based on Open Door.

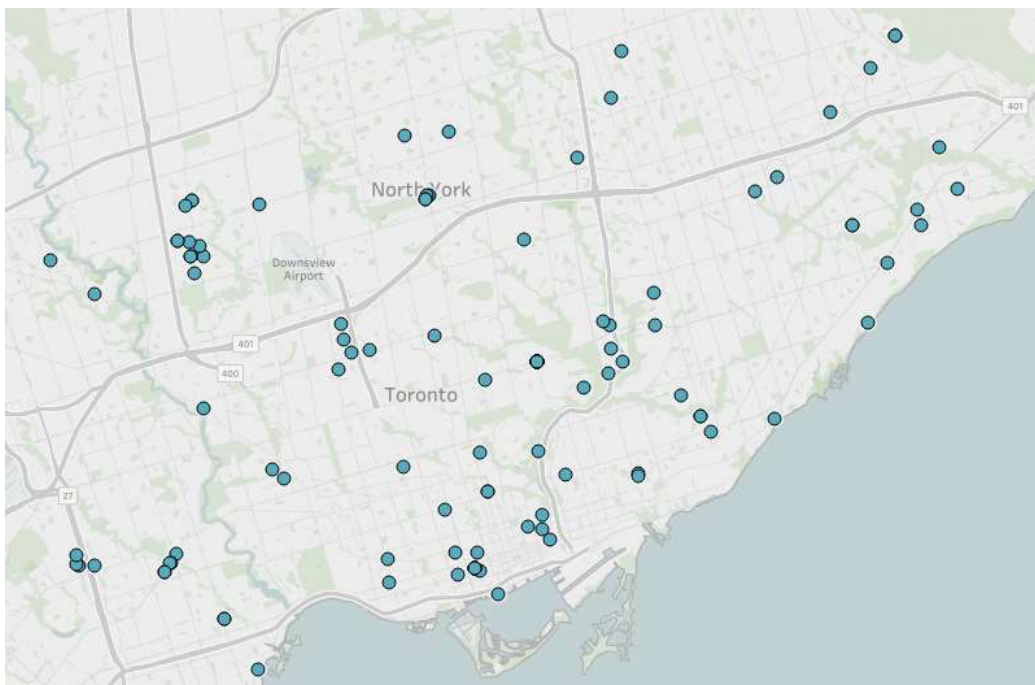
Several organizations have implemented innovative initiatives as a result of flexible funding received through Open Door. Tangled was able to expand professional development activities for disability-identified artists. Although their initial letter of intent was fairly small scale, they worked with TAC grant officers to develop a more ambitious project, which was ultimately funded. The resultant Arts Mechanics Lab supported ten young and emerging artists with workshops on topics ranging from writing an artist statement and using social media to professionalizing an artistic practice. Similarly, Open Door allowed Kaeja **d’Dance** to launch Extraordinary Dances TO, a collaboration with 22 dancers of all ages and disciplines, including refugees, newcomers and Indigenous artists.

Finally, Art Spin secured Open Door funding to help realize in/future. The ambitious festival introduced a series of visual art installations and performances to the neglected Ontario Place site. Partnerships were also essential to this festival. Art Spin partnered with Small World Music Festival to take **advantage of the organization’s charitable status and bring in performers representing a range** of cultural traditions. They also worked with Contact Photography and New Adventures in Sound Art to curate site-specific work.

Performing Arts Facilities Support recognizes the challenges of maintaining cultural facilities. Although multiple organizations make use of performance and rehearsal spaces, the organizations that manage these assets face ongoing issues ranging from roof repair to equipment upgrades and evolving accessibility standards. Despite these difficulties, many organizations subsidize the rest of the arts ecosystem by making their spaces available to other groups at below-market prices. For this reason, TAC provides additional support to organizations that operate cultural facilities through the Performing Arts Facilities Support program. Since 2015, organizations such as Soulpepper have benefitted from this additional funding, and appreciate the recognition of their support to the broader community of arts organizations.

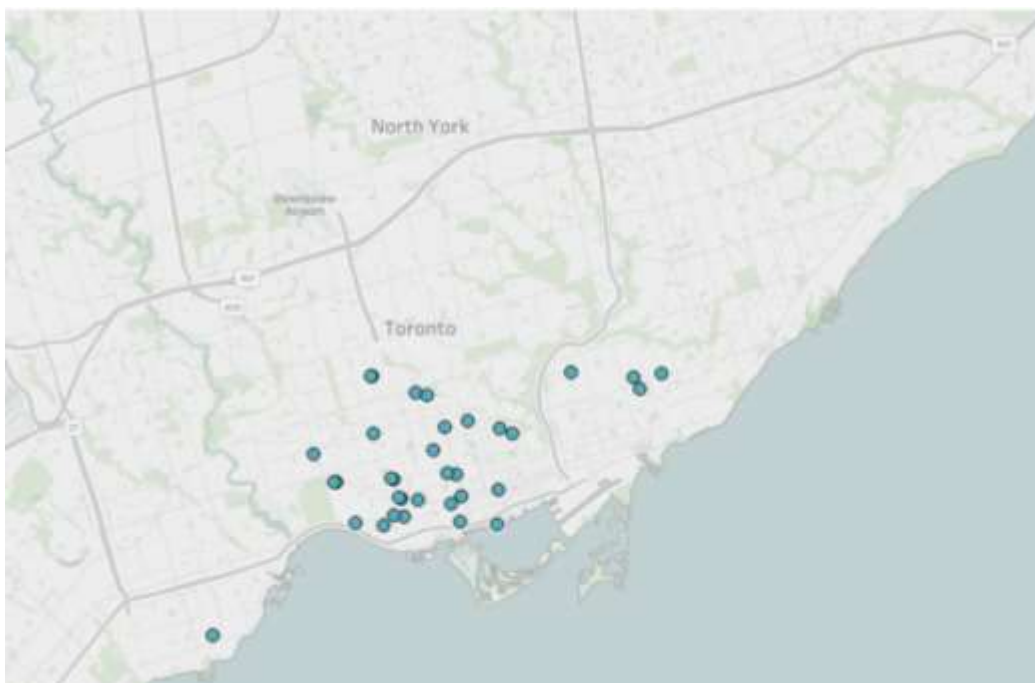
Similarly, Targeted Enhancement Funding recognizes the work of organizations that extend cultural experiences outside of the downtown core even though they may be based in the pre-amalgamation City of Toronto. As just one example, Jumblies Theatre would not have been able to strengthen **relationships with Indigenous communities in partnership with Scarborough’s Child and Family Life Centre** without this funding. Figure 59 shows the geographic distribution of programs supported by Targeted Enhancement Funding across the city.

Figure 59: Map of Targeted Enhancement Funding grant recipients



Finally, TAC also established a designated program to support Indigenous Arts Projects in 2015. The map below shows the location of organizations who received funding through this grant in 2015 and 2016.

Figure 60: Map of Indigenous Arts Projects grant recipients



4.7.2 Contribution to Achieving Priority Objectives

TAC's strategic initiatives contribute to many of the objectives identified by the City of Toronto. This section draws on examples gathered over the course of interviews to examine some of the ways that these new approaches to supporting the arts advanced a range of priorities.

Arts Activity Outside the Downtown Core

Animating Historic Sites, Animating Toronto Parks and Artists in the Library all contribute to arts activity outside of the downtown core. Four of the six historic sites in the Animating Historic Sites program are located outside of the pre-amalgamation City of Toronto. Similarly, Artists in the Library operates exclusively in North York, Scarborough and Etobicoke. Moreover, Targeted Enhanced Funding allows organizations to expand programming outside of the downtown core regardless of where they are based.

Opportunities for Young and Emerging Artists

Supporting new talent is at the core of TAC's new funding programs. Open Door allows young and emerging artists to take risks and experiment with new ideas. For instance, Open Door funding has allowed Anandam Dance Theatre to say no to other sources of project funding and focus on enhancing existing programs. Moreover, the Platform A microgrants enable community arts organizations to encourage participants to continue to develop their artistic practice. The Leaders Lab also fosters a new generation of artists and cultural professionals by bringing them together and connecting them to national resources through the Banff Centre.

Opportunities for Community Arts and Youth

Several TAC initiatives advance community arts and opportunities for youth. Platform A provided additional resources to community arts organizations with extensive experience working with youth. Tdsb/CREATES also offered a new way of connecting with students and exposing them to the possibilities of creative expression and a career in the arts.

Improved Cultural Facilities

Cultural facilities are a priority identified by multiple levels of government. TAC's Performing Arts Facilities Support recognizes the challenges of maintaining these resources and the benefits provided to the local culture sector as a whole. In addition to this funding, Animating Historic Sites, Animating Toronto Parks and Artists in the Library encourage artists and residents alike to reimagine creative spaces in their own communities.

Increased Organizational Capacity

Each organization has different needs to develop internal capacity however several new sources of funding support this process. Leaders Lab encourages individuals to align their professional development with the growth of their organization. artsVest also gives organizations the skills to benefit from private sector opportunities.

Partnerships

The design and assessment of many of TAC's strategic initiatives encourage collaboration in the culture sector. Open Door prioritizes partnerships between organizations to expand the impact of new initiatives and spur transformation. Similarly, Platform A enabled four community arts organizations to formalize their partnership and develop a system to share resources and allocate microgrants. Finally, TAC was also able to take a more active role in supporting ArtReach and partner with artsVest.

Leveraging Other Investments

As well as increasing organizational capacity, TAC's partnership with artsVest enabled participating organizations to secure corporate sponsorships and tap into other sources of private funding. Similarly, PANAMANIA funding acted as a stamp of approval that allowed arts organizations to access funding from other levels of government and the private sector in order to realize ambitious projects.

5. Summary of Findings and Conclusions

Based on the contextual analysis presented in Section 2 and the findings illustrated in Sections 3 and 4, this section summarizes conclusions regarding the impacts of the increases to cultural grants by the City of Toronto from 2013 to 2016.

The study concludes that there has been some measurable progress in terms of outcomes, during the period in which cultural grants were increased:

- Arts organizations in Toronto delivered nearly 115,000 public activities from 2013 to 2016, with an average yearly increase of 6.1%.
- Total attendance and participation at these public events was over 59 million, seeing an average yearly increase of 5.5%.
- Arts organizations delivered over 162,000 arts education and arts learning activities over the four years, with an average yearly increase of 4.2%.
- Total attendance and participation at these educational and learning activities was nearly 15 million, seeing an average yearly increase of 4.2%.

5.1 Progress toward Achieving Priority Objectives

The study also revealed notable progress toward the achievement of the City's six priority objectives:

Arts activity outside the downtown core

There was noticeable expansion in the spread of grants funding beyond the downtown core, although there remains a high density of support in the core.

- LASOs played a key role in providing arts services and activities to the inner suburbs, significantly expanding their coverage across the city, although a number of wards including York West (7), South Weston (11), York-South Weston (12) and Davenport (17) were not included in the LASO service area.
- Several newly introduced TAC strategic funding streams also contributed to this priority objective. In particular, Artists in the Library, Animating Toronto Parks and Animating Historical Sites provided opportunities for artists to create art in unexpected spaces outside of the downtown core. Targeted Enhanced Funding is another example of a strategic fund with a focus on extending core programming to other areas in the city.
- TAC operating grants saw a slight increase in total allocations to organizations outside the downtown core (8.4% in 2016, up from 6.5% in 2012) and 23% of new recipients of operating grants were located outside the core.

- While MCO programming continues to occur in the core, many organizations in this stream shared that they increasingly search for talent (including artists and curators) across the city, including the inner suburbs.
- Culture Build also supports this objective – funding for the state of good repair projects of cultural facilities outside the downtown core accounted for 26% of total funds allocated and 23% of grant recipients.

Partnerships

Many grant recipients have leveraged opportunities to collaborate toward the realization of programming aspirations and maximization of collective impact, while others have joined forces with partners outside of the arts sector with complementary social or economic development mandates. In addition, the design and assessment of many of **TAC's strategic initiatives** encourage collaboration in the culture sector.

- Open Door prioritizes partnerships between organizations to expand the impact of new initiatives and spur transformation.
- Platform A enabled four community arts organizations to formalize their partnership and develop a system to share resources and allocate microgrants.
- TAC was also able to take a more active role in supporting ArtReach and partner with artsVest.

Opportunities for young and emerging artists

Over the course of the four years under review, arts organizations delivered nearly 18,000 activities in which youth created work, which had a combined attendance of over 300,000.

- From 2012 to 2013, the number of activities delivered declined by 9.2%, but the overall average yearly increase in activities over the four years was 5.4%.
- Interestingly, attendance at these activities increased in 2013 (despite fewer activities being offered) and saw a slight decline in each of the following three years.
- Organizations who support young and emerging artists as a core part of their mission, such as VIBE Arts and ArtReach, continued to expand their capacity as a result of the funding increases.
- Other organizations leveraged increased funds to grow youth-focused programming – for example, Soulpepper Youth Academy was able to double the size of enrollment to its highly-specialized training program.

Opportunities for youth and community arts

Between 2012 and 2016, arts organizations delivered approximately 4,600 community arts activities, which had a combined attendance of over 400,000.

- Over the period under review, the number of community arts activities delivered saw an average yearly increase of 25.6%.
- Attendance at community arts activities saw an average yearly increase of 33.8%, nearly doubling between 2012 and 2013 alone.

- Among the disciplines supported by TAC operating grants, Community Arts saw the largest proportional increase in allocations between 2012 and 2016, although it still accounted for the second-smallest portion of total operating grants (only literary arts received less funding). Operating grants to community arts organizations increased by 99% over the four years, from \$0.4 million in 2012 to \$0.8 million in 2016.
- **Many arts organizations designed their community activities around the City's Neighbourhood Improvement Areas (NIAs), further aligning their expanded impact with the City's objectives.**
- Cultural activities focused on specific communities across the city were also delivered by other stakeholder groups, including festivals organized by BIAs without access to much public funding.

Over the course of the four years under review, arts organizations delivered approximately 11,000 activities specifically designed or directed at youth, which had a combined attendance of over 1.5 million.

- The number of activities specifically designed or directed at youth saw an average yearly increase of 9.3%.
- Attendance at these activities saw an average yearly increase of 2.3%.

Organizational capacity for small and medium-sized arts organizations

From 2012 to 2016, the number of full-time equivalent (FTE) staff reported by arts organizations increased by 10%. Across the board, stakeholders shared that the increases in operational funding had allowed them to increase capacity.

- TAC operating grants increased by 34% over the period, and not only allowed increased funding to existing organizations in the grant programs, but also the acceptance of 30 new arts organizations as operating grant recipients.
- The new entrants to the operating grant program were able to leverage their increased capacity to expand their programs and in many cases, bring new and often multi-disciplinary **artistic practices into TAC's portfolio.**
- However, much of the benefits associated with increased operating funds were in the form of reversal of many years of underfunding; as well there is new demand. In 2016, the amount of unfunded operating grant requests (16%) was higher than it had been in 2012 (11%), and several organizations that were eligible and ready to enter the operating grant stream were not able to do so due to limited funds.
- At the same time, consultations revealed that while organizations have benefitted from the increased funding, many still face challenges in being able to deliver programming while keeping up with rapidly increasing facilities-related costs, and are not yet able to pay adequate wages to staff.

Improved cultural spaces

While operating funding, as well as strategic funds related to activating new spaces and facilities expenses did increase, it was outpaced by the overall surge in expenses associated with fixed costs such as rent and mortgage payments.

- Commercial and retail real estate prices went up 140% to 150% between 2012 and 2016, with the greatest increase seen downtown, and Toronto arts organizations spent increasingly more (average yearly increase of 4.3%) on rent and mortgage interest expenses between 2012 and 2016.
- The City re-introduced Culture Build as a **key contributor to this area, though the program's** funding envelope is too small to adequately address the ongoing space-related challenges.
- A number of TAC's strategic funding programs directly addressed the issue of space, including the Animating Parks and Historic Sites programs, as well as the Artists in the Library program, to provide opportunities for programming to take place in existing spaces (mostly outside the downtown core).
- The introduction of the Performing Arts Facilities Support program acknowledged the additional financial burden and sector-wide value of facilities-based organizations that subsidize space costs for smaller organizations, often at below-market prices.
- LASOs have also been instrumental to progress in this area, expanding into more spaces over the course of the four years. The mandate of Artscape, a new entrant into the MCO program, is focused on space and the organization has seen a period of growth over these years.

However, despite the increases in operating grants and the other targeted granting programs, there remains significant demand for additional support related to affordable spaces in which to deliver programming.

5.2 Impact of Granting Programs

As noted above, each of the funding streams contributed to a variety of priority objectives. Given the role of City-funded cultural grants within a broader landscape of support for arts organizations, among other external factors, the attribution of impacts and outcomes vary across the board. Below, a summary of the key findings and attribution considerations are presented for each funding stream:

MCOs

- MCOs delivered a combined total of 45,000 public activities, with attendance of over 23 million over the course of the four years – in other words, they accounted for roughly 40% of total activities and attendance⁵⁸ reported by all recipient organizations that reported in CADAC.
- MCOs reported an average yearly increase of 4.7% in the number of activities delivered, below the overall average of 6.1% reported across all funding streams.

⁵⁸ Includes estimates of attendance at free public parades, as well as ticketed and other on-site programs.

- MCOs reported an average yearly increase of 6.2% in attendance, slightly above the 5.4% average across all streams.
- **The City's contribution to MCOs increased by 28% from 2012 to 2016, but accounted for a decreasing portion of overall cultural grant allocations (31% in 2012 and 26% in 2016).** This support represented approximately 3% of the total revenues of MCOs. As such, any changes in outputs or outcomes cannot be directly attributable to the funding increase.
- However, City support for the activities of MCOs has been aligned with many of its priority objectives, notably in terms of increased activity outside the core, creating opportunities for new artists, and bringing in new partners.

LASOs

- LASOs delivered a combined total of 1,400 public activities, with attendance of nearly 553,000 over the course of the four years.
- LASOs reported an average yearly increase of 13.7% in the number of activities delivered, and of 15.4% in attendance – both well above the overall average reported across all funding streams. These results showed the impact of increased demand when services are more readily available.
- **The City's contribution to LASOs more than tripled over the four years, from a base of \$0.5 million in 2012 to \$1.7 million in 2016.** By the end of the period, City funding made up 55% of LASOs' overall revenue, and was essential to the strides made by the six organizations in terms of capacity building and program/service expansion.

TAC

- The increased allocation to TAC resulted in a 73% increase to project grants, a 61% increase to grants to individual artists and a 34% increase to operating grants. In addition, several new strategic initiatives were launched through the period, and funding through that stream reached \$3.7 million in 2016.
- TAC allocated funding to an average of 284 first-time recipients per year from 2013 to 2016, a significant increase from the 69 recipients that were new to the Council in 2012.
- **TAC's operating grants were essential to capacity building among arts organizations:**
 - 30 new organizations entered the operating grants stream from 2013 to 2016. Many of these organizations represented new and emerging artistic practices, **contributing to increased diversity in TAC's portfolio.**
 - Organizations established after 2008 accounted for 30% of new entrants into the operating grants program, demonstrating a gradual (albeit slow) shift toward funding more recently-established organizations.
 - The largest proportional increase in operating grants was allocated to the Community Arts Program, which nearly doubled in terms of total funding allocations between 2012 and 2016.
 - The amount of total operating funding requested increased by over 40% between 2012 and 2016. However, 16% of total operating funds requested by organizations were not funded by TAC in 2016 (up from 11% in 2012).

- Operating grants to organizations with operating budgets of less than \$250,000 increased by 56% from 2012 to 2016, while funding to the largest organizations grew substantially as well, although in percentage terms by a more modest 30%.
 - The smallest organizations (with an operating budget of less than \$100K) received the greatest increase in funding, with a 95% increase from 2012 to 2016 – albeit from a very small base.
- Project grants, which accounted for the largest proportional increase to funding among **TAC's existing grant programs, allowed new organizations to begin to develop the capacity** required to deliver arts programming on a more regular basis and ultimately become eligible for annual operating support.
 - Demand for project funding continued to increase during that time but at a slightly slower pace than the allocations. In 2016, TAC did not fund 60% of project funding requested (by dollar amount), down from 64% in 2012.
 - From 2012 to 2016, the number of projects funded (regardless of the grant amount allocated), grew from 204 to 268 (a 31% increase). At the same time, the number of project grant applications received grew by 42%, and the percentage of applications not approved for project funding increased from 49% in 2012 to 53% in 2016.
 - Project funding enabled both organizations receiving operating grants, as well as those that do not, to realize projects that engage artists and audiences from **Toronto's downtown core as well as the inner suburbs.**
- Support for artists remains at the core of creative production in the city, and the increases to **TAC's grant allocations** to individual artists have allowed more artists to develop larger artistic projects.
 - In 2016, TAC did not fund 77% of funding requested (by dollar amount) by individual artists, up from 75% in 2012.
 - From 2012 to 2016, the number of individual artists that applied for funding from TAC grew from 943 to 1,160 (a 23% increase). The number of approved applications only increased by 5%, showing that TAC supported relatively larger artist requests.
- Increased funding allowed TAC to implement new strategic initiatives based on the findings of community consultation in 2009.
 - Open Door funding encouraged arts organizations to bring forward big ideas that do not fit neatly into existing grant programs. Between 2014 and 2016, \$1,780,000 was allocated through Open Door.
 - Targeted Enhancement Funding enabled established organizations to expand arts activities outside of the downtown core. Over four years, \$1,125,000 was provided through this program.
 - Performing Arts Facilities Support responded to the challenges faced by organizations managing cultural spaces and making these assets available to other arts groups. As a result, \$150,000 was distributed in 2015 and 2016.

- o Other programs made new spaces available for cultural programming. Artists in the Library received \$700,000 over four years while Animating Historic Sites received \$558,000. Both prioritized arts outside of the downtown core. Moreover, Animating Toronto Parks built on the success of these programs to introduce \$329,000 in support of outdoor activities in 2016.

Culture Build

- Between 2013 and 2016, 39 organizations received Culture Build funding.
- Grants ranged from \$4,000 to \$100,000, with an average grant amount of approximately \$30,150, and covered anywhere from 3% to 53% of the total project budget.
- Over the study period, the Culture Build program received requests for nearly \$2 million, of which the allocated amounts covered approximately 60%.
- Culture Build supported the **City's objective to increase arts activity outside the downtown core** – organizations operating outside the downtown core received 26% of total funds allocated and accounted for 23% of grant recipients.
- As a result of Culture Build grants, arts organizations have been able to increase internal capacity, expand their programs and better serve their communities.
- While arts organizations appreciate **the City's acknowledgement of space**-related challenges through the re-introduction of the program, consultations revealed that the grant amounts are too small to support urgent projects that may be larger in scale.

5.3 Overall Findings

As shown in the preceding sections, the increased cultural grants resulted in significant benefits for **Toronto's arts and cultural sector** – the most significant areas of impact were community arts programs, and the expansion of arts activity outside the downtown core. However, it is important to note that these benefits were tempered by conditions beyond the influence of the City, and beyond the current period of funding under examination. While the expectations may have been higher in terms of the changes resulting from a 61% **increase in budgets, it remains clear that Toronto's** investment in culture sustained organizations through a challenging period.

During this period, **Toronto's arts organizations operated in an environment where** the other public funding components of the arts ecosystem shrank. In some cases, cuts or reallocations disproportionately impacted Toronto arts organizations, as funding was shifted to other regions. Additionally, the funding increase from the City only began to make up for many years of stagnant funding and increasing costs.

Therefore, not only should these factors be taken into account when considering the impacts, but it is clear that the **city's artists and arts organizations would have faced serious financial challenges if the City had not made this investment. Furthermore, the City's leadership** in increasing funding, which itself was a response to a strong appeal by a coalition of stakeholders in the arts community, led the way in terms of once again acknowledging the importance of a well-supported culture sector. Other public funders, in particular at the federal level, followed suit to increase support for the arts.

Finally, given the priorities set by the City for this funding increase, its full impacts have yet to be seen. As **Toronto's** arts organizations begin to recover from years of inadequate and inequitable funding to build internal capacity, grow their teams and feel more secure in meeting their financial obligations, they can finally begin to think in terms of expansion and innovation. As new arts programming

begins to be introduced more and more to underserved regions of the city, engagement levels will **increase. The City's decision to raise its level of investment in the arts was catalytic** – it will be important to continue responding to the needs of the sector and build on the momentum of these four years.

6. Recommendations

This section recommends high-level approaches to maximize the impact of the City's investment in cultural grants moving forward. There are two areas:

- Recommendations related to New Directions in Funding suggest areas to consider as priorities for any future increases, to continue to build on the momentum of the 2013-2016 funding increase and **support growth and development in Toronto's cultural sector**.
- Recommendations related to Improved Measurement and Evaluation suggest ways that the City could continue to articulate and track the impacts of its investments in culture, primarily addressing the data limitations faced during the process of this study.

6.1 Considerations for New Directions in Funding

The increases to the City's cultural grants had many positive impacts on Toronto's artists and arts organizations, although restricted in part because they were not matched by the funding of other jurisdictions. The quality of applications aimed at the City's priority areas continues to increase, and not all can be funded. While it is not part of the mandate of this assignment to recommend increasing budgets, there are some areas that could be reviewed in those terms. If new funds were to become available, the following key areas could be considered.

Supporting Organizational Sustainability: Operating grants are key to the growth and sustainability of arts organizations, especially early on in their tenure. The current model of operating grants is designed for established organizations, and access is more difficult for organizations that are more recently established. However, the newer arts organizations are unable to sustain the necessary organizational growth through project grants alone. Emerging organizations demonstrating artistic merit and a high level of community engagement could be incubated through a longer-term, more capacity-focused funding model that enables them to expand their planning horizon.

In addition, operating grants are not expanding quickly enough to accommodate even those organizations that are established enough to be eligible for funding through the existing model. Entry of new organizations into granting programs that provide operating support requires significant (and continuous) increases to overall funding and/or reallocation of funding among organizations. The latter, which has been effectively implemented by other funding bodies (such as OAC, through their rating model), would require assessment of recipients in terms of how they **continue to contribute to the funder's priorities**.

Operating funding is also an important tool for addressing the highest-priority challenges faced by arts organizations: talent retention and facility costs. Alongside an optimized operating grant system, other structural interventions (such as talent development and shared services) would strengthen the overall ecology of the arts sector.

Focusing on Diversity: The accessibility of artistic opportunities and arts programming to diverse audience groups is already a key priority for many arts organizations in Toronto. However, there remain gaps how organizations address the issues of equity, access and inclusion. These gaps include diversity in leadership and governance at arts organizations, as well as strategies to engage diverse audiences and artists.

TAC has taken several steps to support increased equity and inclusion in the arts, including the development of an equity framework that prioritizes persons from disadvantaged groups. Although TAC recently added an Indigenous Arts Projects program and an Indigenous Arts Officer, there is room for more clear and measurable diversity requirements for grant recipients across all cultural

grant programs. **Future priorities for cultural grants should align with the City's broader vision for equity, diversity and inclusion, and take into account initiatives such as the City's calls to action and commitments to Aboriginal communities,**⁵⁹ the Interim Toronto Action Plan to Confront Anti-Black Racism,⁶⁰ and the Toronto Newcomer Strategy,⁶¹ among others. Gaps related to the measurement of diversity in the arts are discussed in Section 6.2.

Supporting Collaboration and Knowledge-sharing across the Sector: As emerging community-focused organizations have used operating and strategic grants to increase their programming and capacity, several have established themselves as centres of expertise and knowledge in responding to the needs of the specific communities they serve. In turn, they often find themselves sharing that expertise with peer organizations that are trying to better understand specific community needs. While the knowledge-sharing has been effective overall, it has put a strain on these organizations, many of which are new recipients of operating grants and are themselves trying to manage program expansion.

These organizations **have established themselves as “centres of excellence”** and serve as leaders in the areas such as equity, access, diversity and inclusion. They help better equip the sector overall to engage diverse artists and audiences, and require increased operational resources to do so in a sustainable way. TAC introduced a strategic program that recognizes the sector-wide value of facilities-based performing arts organizations that make their spaces available to their less established peers in the sector at subsidized rates. A similar recognition of the financial burden of other activities that benefit the wider arts ecosystem would encourage this type of collaboration, peer-to-peer mentorship and capacity development in other disciplines.

Promote International Exchange and Engagement: In addition to supporting the arts sector in delivering engaging and diverse artistic activity within its borders, the City can also play a role in supporting the recognition of Toronto as a cultural hub across the country and abroad. Not only would this expansion of focus reinforce Toronto as a cultural destination, but it would also contribute to the sustainability of arts organizations that are able to engage broader audiences and diversify their revenue sources.

There is an inherently strong relationship between economic development and the arts sector, and this relationship includes promoting Toronto arts abroad. Many arts organizations – particularly the MCOs – already showcase Toronto on an international scale, but there is an opportunity to develop this area through leadership from the City. The City could support this endeavour by encouraging partnerships and collaborations between Toronto arts organizations and their peers in other jurisdictions (e.g., through co-productions) and incorporating the arts into trade missions.

This area is also a priority for other levels of government. The federal government has announced steps toward the modernization and expansion of the PromArt and Trade Routes International cultural promotion programs, and the Canada Council for the Arts and Ontario Arts Council have

⁵⁹ City of Toronto, “City of Toronto’s Commitments to Aboriginal Peoples.” <https://web.toronto.ca/city-government/accessibility-human-rights/aboriginal-affairs/city-of-torontos-commitments-to-aboriginal-peoples/>

⁶⁰ City of Toronto, *Interim Toronto Action Plan to Confront Anti-Black Racism* (June 2017). <http://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-104831.pdf>

⁶¹ City of Toronto, *Toronto Newcomer Strategy: Helping Newcomers Thrive and Prosper* (January 2013). <https://www1.toronto.ca/wps/portal/contentonly?vgnextoid=1484ca8ab6ed0510VgnVCM10000071d60f89RCRD>

programs to support the engagement of international markets and audiences. There is certainly room for collaboration among funding bodies on this front.

Addressing the Space Challenge: Toronto's real estate landscape has created unsustainable conditions for facilities-based arts organizations. One of the key challenges faced by arts organizations is access to affordable spaces, and there is a dire need to support cultural spaces. CADAC data revealed that cost increases for space were relatively lower than general real estate trends, demonstrating that the need is focused on specific types of recipients.

Operating funding is the primary source of support, but as noted above, recipient organizations find space-related costs an ongoing strain to their budgets (at the cost of capacity development, which would allow them to expand programming). At the same time, this funding stream is inaccessible to new and emerging organizations.

While the City has limited tools available to address the more systemic issues contributing to the space challenge, there is a role it could play in terms of convening groups of stakeholders who can collaborate to address the crisis. These stakeholders include developers, who can be encouraged to find creative ways of increasing access to spaces for the arts. There may also be opportunities for **collaboration with other levels of government, for example in relation to the Province's Action Plan and Framework for Community Hubs, or the Department of Canadian Heritage's CCSF.**

Focus on Collective Impact within the Broader Arts Funding Landscape: As noted above, the City is a relatively small funder for many recipient organizations, although the major one for many others. It was also noted that other jurisdictions have other priorities, including funding outside the City of Toronto to cover all the province or all the country. Finally, it was noted that while the jurisdictions collaborate on projects, there is no substantial coordination – other than meeting from time to time as part of the Canadian Public Arts Funders (CPAF) and the Intergovernmental Roundtable of Arts Funders and Foundations (IRAFF).

The City has some “convening power” in terms of arts organizations and other levels of government.

As the City is a smaller funder, it behooves the arts community to leverage more funding from other levels of government, and can bring stakeholders together to address issues through such venues as an arts summit or conference. That convening power could also be marshalled to galvanize the arts community in the city to become more effective and aggressive in taking advantage of the funding opportunities that are provincial and especially federal. The Canada Council for the Arts has received a substantial amount of new funding which presumably will go to those applications with the most compelling propositions, for example the new Digital Strategy Fund.

Allocation Issues, Sources of New Funding, and Communication of Priorities: During the consultations, it was clear that not all the cultural funding recipients were aware of the six priority objectives of the City. Moreover, as can be expected, there were questions as to why other organizations or classes of organizations merited more increases than arts and culture received in this four-year period. It is obvious as well that there will be questions of this sort that are related to allocation and the finite capacity of the public purse to finance arts activities.

While the mandate of this project did not include any evaluation of the funding allocation process, it did appear that the funders engaged in extensive consultations and due diligence in making allocations and decisions on what to support. Improvements in performance indicators and evaluation approaches are recommended below, and represent a part of how allocations processes can be improved. Certainly, other jurisdictions and other areas of City program delivery will be subject to enhanced measurement and evaluation criteria. Toronto arts funding will be no exception to this continuous improvement process.

While new funding is always nice, constant new funding is unrealistic. So, where will the funding come from to meet current and unmet needs in the future? As indicated above, part of the answer is to become more effective in obtaining funding from other jurisdictions – as well as private sources and earned revenue. However, the City is constrained from moving more rapidly in achieving greater results for priority objectives – because it continues to fund many organizations which have been receiving operating budgets for years and decades. One logical question is to consider some form of rating system to decrease (or cut altogether) funding for underperforming organizations. While perhaps new to the Toronto context, other funders across Canada are moving forward with such difficult choices.

In addition, as a final recommendation, a City that has not quite fulfilled the target of \$25 per capita directed toward the arts could boost its funding of the arts to meet that objective. While the senior levels of government have committed more funding for the arts – after years of stagnant funding – it **is not funding whereby arts organizations in Toronto will automatically gain their “share.”** Arts organizations will need to make compelling applications to public funders, and the City should encourage them to do so. If that is done, the continuing investment in the arts by the City will be rewarded by renewed vigour in the arts in Toronto.

6.2 Improved Measurement and Evaluation

Through the course of this study, several data gaps and limitations constrained the ability to capture **and report on the full picture of how Toronto’s arts sector has changed and the challenges it** continues to face. Furthermore, the arts continue to compete for public and private funds against other social causes and services, many of which benefit from more established and direct methods of impact measurement. The City, TAC and the sector overall would benefit from a new vision and framework for measurement and impact analysis, one that is consistent, reliable and equips the community as a whole to make a stronger case for the arts. This vision and framework could consider the following elements:

Defining Success: In developing tools to measure and reward success, the first step is to ensure a common and consistent definition of success. While CADAC currently provides some sense of the volume of activity delivered by arts organization and the level of engagement by audiences, there is a need to consider the *depth* of engagement. The value of the arts comprises more than the touch points, but also the quality of the experiences and the resulting changes in behaviour and perceptions. Defining success can also occur at the organizational level. One of the biggest gaps in data for this study was related to partnerships – an explicit goal set by the City. There is a need for a consistent approach to measuring the impacts of collaborative initiatives, or the results of advocacy on behalf of others. Another gap was diversity, which is not clearly defined as a priority but an important consideration for many stakeholders and one for which there is not a lot of data available. Specifically, the measurement of progress toward increased diversity would require a baseline understanding of current diversity levels in the sector (potentially as an inter-funder evaluation initiative), including among board members and staff, as well as in programming. Future priorities and objectives could be defined with measurement in mind, so that progress toward achieving them can be tracked more effectively.

Improving Data Collection and Analysis Tools and Processes: Where data for this study did exist, it was not always coherent or reliable, and the exploration of anomalies and data-entry challenges or inconsistencies was not within the scope of the project. CADAC is highly valuable, but the City needs to better understand the quality of the data contained therein, and the specific entries that drive some of the aggregate trends reported here. In looking at the value of the arts more holistically, there

is also a need to develop tools and processes (in addition to definitions, as noted above) that help organizations and the sector overall understand the social and cultural benefits of its activities. For example, outcome measures can be integrated with other socio-economic indicators already being tracked, or new indicators can be developed for the arts.

Benchmarking: Finally, it is important to refresh benchmarks when comparing with other municipalities. The City could re-examine its position as related to other large urban centres across Canada and internationally, and set reasonable and meaningful targets, such as participation per dollar invested (rather than participation more generally) that are updated on an ongoing basis.

Appendices

Appendix A. Methodology

Nordicity's methodology consisted of two key research and analysis streams:

1. Analysis of statistical and financial data from CADAC (as provided by the City and TAC), with additional information on grantees collected to fill in gaps:
 - This data analysis faced some limitations in terms of accuracy and reliability of data – all financial data is audited, but statistical data is self-reported. As a result, there was some evidence that organizations may have interpreted CADAC's statistical line items differently (e.g., the types of public engagements that can be counted as attendance). For example, the number of attendees reported by one organization do not necessarily represent the same unit of attendees reported by another organization - one organization may count only paid, ticketed attendees, whereas another may report on estimated attendance to a street festival in the same line.
 - In order to report year-over-year changes on a comparable basis, Nordicity limited year-over-year comparisons to the sum of statistical data for organizations that reported a non-zero value for each statistic in both consecutive years being compared. As a result, the year-over-year change reported using this methodology will compare paid, ticketed attendees to the previous year of paid, ticketed attendees reported by the first organization and the second **organization's estimated attendance** will be compared to the previous year's estimated attendance. While this methodology has the limitation of adding paid, ticketed attendees together with estimated figures, this approach was deemed to be the best option, given the uncertainty about what had been included in the data. However, it is still possible that an organization used different approaches in calculating attendance from year to year.
2. Interviews and consultations
 - Nordicity consulted a total of 61 individuals through group sessions and one-to-one interviews, including grant recipients, other funding bodies, and local economic development organizations (i.e., BIAs).
 - A full list of interviewees is presented in Appendix B.

Appendix B. Interviewees

Name	Position	Organization
Maxine Bailey	Vice-President, Advancement	TIFF
Anne-Marie Bénéteau	Program Manager, Toronto	Ontario Trillium Foundation
Shannon Brown	Manager (Acting), Culture Agencies Unit	Ontario Ministry of Tourism, Culture and Sport
Peter Caldwell	Director and CEO	Ontario Arts Council
Marjorie Chan (TBC)	Artistic Director	Cahoots
Margo Charlton	Research and Impact Manager	Toronto Arts Council
Brian Conway	Program Manager, Toronto	Ontario Trillium Foundation
Kim Dayman	Program Manager	Lakeshore Arts
Christy DiFelice	Grants Officer, Music	Toronto Arts Council
Menon Dwarka	Executive Director	Arts Etobicoke
Heather Ervin	Communications Manager	Arts Etobicoke
Sheliza Esmail	Co-ordinator/Administrator	The Eglinton Way BIA/ ShoptheQueensway.com BIA
Veronica Feihl	Manager	Roncesvalles BIA
Catalina Fellay-Dunbar	Grants Officer, Dance and Literary/Writers	Toronto Arts Council
Liz Forsberg	Inspired People Strategy Lead	Ontario Trillium Foundation
Melissa Foster	Program and Outreach Manager	North York Arts
Julie Frost	Executive and Artistic Director	VIBE Arts
Cecilia Garcia	Program and Volunteer Coordinator	North York Arts
Louise Garfield	Executive Director Emeritus	Arts Etobicoke
Claire Hefferon	National Program Director	Business for the Arts
Erika Hennebury,	Grants Officer (Strategic)	Toronto Arts Council
Denise Herrera-Jackson	CEO, Festival Management Committee	Toronto Caribbean Carnival
Oliver Hierlihy	Manager	Danforth Mosaic BIA
Scott Honsberger	Program Manager	Business for the Arts
Claire Hopkinson	Director and CEO	Toronto Arts Council
Valerie Hopper	Regional Manager, Arts Programs	Department of Canadian Heritage
Leah Houston	Artistic Director	MABELLEarts
Ruth Howard	Artistic Director	Jumblies Theatre
Allen Kaeja	Co-Artistic Director	Kaeja d'Dance
Lila Karim	Executive Director	North York Arts
Peter Kingstone	Grants Officer, Visual and Media Arts	Toronto Arts Council
Brandy Leary	Artistic Director	Anandam
Brad Lepp	Communications Director	Soulpepper
Caroline Lussier	Director	Canada Council for the Arts
Marlene MacKintosh	Executive Director	Urban Arts
Katie MacMillan	Interim Executive Director	Tangled Art + Disability
Ernie McCullough	Executive Director	Sheppard East Village BIA

Name	Position	Organization
Shah Mohamed	Program Manager	Urban Arts
Rosalyn Morrison	Senior Advisor	Toronto Foundation
Susan Nagy	Executive Director	Lakeshore Arts
Phyllis Nowak	Artistic Director	SKETCH
Olivia Nuamah	Executive Director	Pride Toronto
Sergei Petrov	Executive Director	Scarborough Arts
Rui Pimenta	Artistic Director and Curator	Art Spin
Linda Plater	Coordinator	Village of Islington BIA
Janice Price	Former CEO	Luminato
Kevin Reigh	Grants Officer, Community Arts	Toronto Arts Council
Beth Reynolds	Director of Grants	Toronto Arts Council
Cindy Rozeboom	Director of Programs	East End Arts
Rudy Ruttimann	Executive Director	SKETCH
Jason Ryle	Artistic Director	imagineNATIVE
Claude Schryer	Senior Strategic Advisor	Canada Council for the Arts
Rupal Shah	Grants Officer (Strategic)	Toronto Arts Council
Shira Spector	Outreach Program Manager	Arts Etobicoke
Andrew Suri	Director, Grants Management	Toronto Arts Council
Rob Sysak	Executive Director	West Queen West BIA
Michael Trent	Performing Arts Program Director	Metcalf Foundation
Caroline Vesley	Director of Granting	Ontario Arts Council
Clyde Wagner	President and CEO (Former Producer, Luminato)	Civic Theatres of Toronto (formerly with Luminato)
Helen Walsh	Executive Director	Diaspora Dialogues
Susan Wright	Deputy Director	Toronto Arts Council