To: Chair and Members
Economic Development and Planning Committee

From: Tim McCabe
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Date: December 12, 2007
Re: Hamilton Creative City Initiative Phase I Report (PED08027) (City Wide)

Information:

For the information of the Economic Development and Planning Committee, attached as Appendix A to Report PED08027 is a copy of a study, “Hamilton Creative City Initiative Phase I Report”. This study was commissioned by the Imperial Cotton Centre for the Arts (ICCA), a not-for-profit organization whose mandate it is to further the film and cultural agenda in Hamilton. Representatives from the Economic Development and Real Estate Division sit on the ICCA Board as part of our commitment to the film and cultural industry cluster.

The study, entitled “Hamilton Creative City Initiative Phase I Report” completed by the Centre for Community Study (CCS), takes the first step towards understanding the current state of the cultural industry in Hamilton and its potential for growth. At this point, very little research has been done on this subject in Hamilton. The Initiative’s primary activity is to survey those businesses and professionals within the cultural industry cluster, including creative organizations, workers and consumers.

Key insights identified in the Initiative (within the survey sample of 90 businesses and organizations) include:

- Hamilton creative industries sector is financially healthy.
- The majority of organizations within the sector are small and medium sized private, for profit entities.
- The estimated revenues of respondents to the CCI survey were approximately $63 million. The estimated expenses were reported as approximately $48 million. A large portion of the latter was dispersed in salaries and wages to Hamilton employees and through the purchase of specialized services sourced locally.
These revenue figures were skewed up by a small number of larger organizations completing the survey. The majority of respondents experienced revenues below $200,000 per year.

- These local industries demonstrated strong links to the local area. The large majority of audience/clients for most organizations are from within the City, as are the majority of employees, whether paid or volunteer.
- Creative industries in Hamilton form an integrated cluster as demonstrated by the practices of renting spaces to others, the high level of reported collaborations between different organizations, and the geographic clustering of organizations into two (2) main areas of the City, the lower City and in Dundas. In terms of Ward boundaries, Ward 2 was home to the largest number of creative organizations.
- Hamilton’s creative industries sector does contribute positively to the City’s economy but there are indications that these companies could use assistance to grow (i.e. marketing and promotion, expansion of client base).

This Initiative represents a small first step to understanding the film and culture cluster and more information will become available in subsequent reports which will be brought forward to committee as they are completed.

As the Committee members are aware, as part of a separate but related process, the Culture Division of the Community Services Department has embarked upon a three (3) phase “Our Community Culture Project”. Phase 1 of this project has just been advertised for tender. Although there will be some minor overlapping information and participation, the scope of each of these projects is distinct. Staff from both the Culture Division and the Economic Development and Real Estate Division will work together to ensure cooperation and consultation for both processes.

Tim McCabe
General Manager
Planning and Economic Development Department

JN:db
Attach. (1)
Foreword

This discussion paper is presented to the Imperial Cotton Centre for the Arts, as part of the first phase of the Hamilton Creative City Initiative.

The CCS is a not-for-profit community research organization based in Hamilton, Ontario. The Centre studies a variety of community issues and provides contracted research to government, foundations and the private sector.

For more information, please visit our website at www.communitystudy.ca or contact:

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Executive Summary

The economic base of many western countries has shifted over the last few decades, so too have the image and discussion around creativity and creative industries. Throughout the latter part of the 20th Century, many North American and European cities experienced a transition in their economic fortunes, with a shift away from a uniform focus on industrial and manufacturing sectors to a more diversified vision of a knowledge-based economy. In this transition period, many cities have sought out new sectors to focus upon in the interest of diversifying economic success. Creativity has become an important part of this transition, first as what is needed to fuel the knowledge economy, and secondly, the creative industries sector has become the focus of many politicians, planners and thinkers as a segment of the economy that can contribute anew to the economic health of a region. The creative industries are defined as organizations engaged in the creation, production, distribution, promotion and sale of creative goods and services.

In the Hamilton context, the role of creative industries in the economic development of the city has been recognized by the City of Hamilton Economic Development department, which, in its 2005 Economic Development Strategy (EDS) identified film and culture industries as a unique emerging cluster in the city. The creation of this cluster was an important first step in recognizing the economic impact that creative industries can play on the Hamilton economy, but also the EDS acknowledged that there is a concern that Hamilton is lagging behind other communities because it has not similarly leveraged its cultural resources as an economic engine. Additionally, the EDS noted that very little research has been conducted on Hamilton creative industries and their contribution to the local economy.

In response to this need for additional research about the contributions the creative sector make to Hamilton’s economy, the Imperial Cotton Centre for the Arts (ICCA), in partnership with the Community Centre for Media Arts (CCMA), and the Centre for Community Study (CCS) came together to work on the Hamilton Creative City Initiative (CCI). The CCI project focused on aligning existing research from Canada and abroad with the process of surveying the creative sector in Hamilton to garner a better understanding of its scale, gaps in the sector, and how it fits into the overall picture of Hamilton’s economy and community.

The creative industries sector is a growing segment of both the national and provincial economies. In 2004, for the first time, Statistic Canada analyzed the impact of these enterprises on the national and provincial Gross Domestic Product (GDP) and employment figures from 1996 to 2001. In both GDP and employment, this sector reported increases in 2001 from 1996. The sector as a whole paralleled overall economic growth in the country, yet the sector reported lower levels of unemployment than the overall economy, specifically in Ontario. The review of these reports provides an understanding of the overall contribution this sector does make to the Canadian economy. The work conducted as part of the CCI project presented in this report builds on the existing Statistics Canada information by providing a more localized understanding of the contribution of the creative industries sector to Hamilton’s economy.
Creative Industries in Hamilton – Survey Results

The CCI drafted an online survey that was conducted over three months in the summer of 2007. Responses were sought out from organizations in 14 different industry sub-sectors. The survey was focused on gathering information in six general areas. Some of the key findings from the survey are listed below.

1. Organizational Information
   a. The majority of respondents from all creative categories (62.2%) indicated that their organizations are structured as either sole proprietorships or corporations. 21 percent of organizations in the survey were charitable and non-profit organizations.
   b. The majority of audiences and clients (58.6%) for Hamilton’s creative organizations come from the city. Audiences and clients from the Greater Golden Horseshoe and Ontario are the next largest segments, supporting the view that the Hamilton creative industries have a regional reach.

2. Employment
   a. The combined percentages of the three top paid employment categories, full-time, part-time and contract workers, represent a slim majority of employees for all creative sectors (46%). Volunteers were the single largest segment of employment type at 40 percent.
   b. Respondents indicated that 78 percent of all reported staff live in Hamilton.

3. Space
   a. There was an even split between those organizations that identified that they own or rent space for their business. Additionally, a slim number of respondents noted that they both own and rent space for business use.
   b. Organizations owned a larger amount of space than they rented. The total amount of reported owned space was 524,634 ft², while the total amount of reported rented space was 98,507 ft².

4. Financial
   a. Revenues - The estimated total annual revenues for the CCI respondents amounted to close to $63 million dollars. The majority of respondents (50.6%) noted that their annual revenue was less than $50,000. Close to 10 percent of respondents indicated that their annual revenues exceeded $2 million. Less than 10 percent of reported revenue for all respondents was drawn from grants.
   b. Expenses - The total estimated expenses for survey respondents were close to $48 million. The vast majority of respondents reported that their total annual expenses fall below the $200,000 amount (81%). Operating costs and salaries and wages were identified as the largest expenses for the majority of respondents.
5. Networks
   a. Over 70 percent of survey respondents indicated that they do collaborate with other organizations within the creative industries in Hamilton.
   b. In terms of additional business assistance, respondents indicated that they were most interested in receiving marketing and promotion assistance to be able to promote their events and products to both local and regional audiences and clients.

6. Spatial Distribution of Creative Industries in Hamilton

The location of all registered participants to the CCI were mapped out to provide an understanding of the spatial distribution of creative industries organizations throughout the city. Three cluster locations were identified as containing a significant number of creative organization; these are downtown, the southwest of the lower city, and Dundas.

Conclusions and Next Steps

Although there appears to be a good diversity of different types of creative enterprises in Hamilton, the sector is comprised of mainly small businesses with modest profits. As there is a respectable level of growth for the sector over all, it should be viewed as a cluster that has potential for growth and greater success.

The creative industries sector in Hamilton is strongly linked to its city, as the majority of employees, and audience and clients are locally based. Additionally, a number of creative industries use local community spaces and work collaboratively with other local creative enterprises. Despite the modest local success of the sector, respondents did indicate that they required additional assistance in marketing and promoting their businesses.

This report represents the completion of the first phase of the Hamilton Creative City Initiative. The report provides a first look at a sample of creative industry organizations from a number of different sub-sectors of this economic cluster. The results reported here should be revisited and expanded upon in future years, in the hopes of expanding the number of respondents and enriching the information about the success of this sector.

Beyond the creative industries, there is additional work that still needs to be done. To garner a more holistic view of the impact on this sector in Hamilton, the CCI will endeavour, in Phases 2 and 3 of this project, to study creative workers, and audiences and consumers respectively.
1.0 Introduction

The ‘creative industries’ is a general term referring to those enterprises engaged in a variety of creative fields in the economy. This ranges from advertising and film production, to the visual arts and written media. The relationship of culture to other parts of society is a complex one. There is a healthy debate about what role creative enterprises contribute to the life of a community, both socially and economically. The study of the economic impact of the creative industries has been underway at the international, national and regional levels for a number of years. Most recently, in Canada, Statistics Canada has placed a new focus on the economic contribution of culture to the national, provincial and regional economies throughout the country.

In Hamilton, in recent years, there appears to be an increase in the number and nature of enterprises engaged in creative fields. For example, Hamiltonians have witnessed an increasing number of film productions throughout the city, the James North Arts district has blossomed and spaces in the Imperial Cotton Centre for the Arts are highly sought after.

The City of Hamilton recognized the great potential of this sector with the inclusion of Culture as part of one of the emerging economic clusters in the City’s 2005 Economic Development Strategy, yet it was noted that very little research has been conducted on Hamilton arts industries and their contribution to the local economy.

As one effort to fill the information gap that was identified by the Economic Development Strategy, the Imperial Cotton Centre for the Arts (ICCA), the Community Centre for Media Arts (CCMA), and the Centre for Community Study (CCS) have partnered to create Hamilton Creative City Initiative (CCI). The main focus of the CCI is to gather a holistic understanding of the creative industries in Hamilton and how they impact the local economy. The Initiative’s primary activity is to survey those within the creative sector, including creative organizations, workers and consumers in three phases. The first phase of the project was to gather relevant economic information about creative organizations.

This report provides a summary of the findings from this first phase. The report is organized into 7 sections beginning with a discussion of the background behind the study of creative industries. This is followed by review of the national, provincial and regional economic impacts of culture, as presented by Statistics Canada. The next section of the report presents the methodology used to define and design the CCI survey, and then an analysis of the survey results is provided. A section presenting the geographic distribution of creative enterprises in the city is presented as well. The report concludes with some overall conclusions about the creative industries in Hamilton and suggestions for future research and next steps.
2.0 Background

The economic base of many western countries has shifted over the last few decades, so too have the image and discussion around creativity and creative industries. Throughout the latter part of the 20th Century, many North American and European cities experienced a transition in their economic fortunes, with a shift away from a uniform focus on industrial and manufacturing sectors to a more diversified vision of a knowledge-based economy. In this transition period, many cities have sought out new sectors to focus upon in the interest of diversifying economic success. Creativity has become an important part of this transition, first as what is needed to fuel the knowledge economy, and secondly, the creative industries sector has become the focus of many politicians, planners and thinkers as a segment of the economy that can contribute anew to the economic health of a region.1

This sector has been referred to as the cultural industries or the creative industries, yet the latter provides, for this analysis, the most appropriate title for those activities that are being studied. There are at least two definitions of culture, one is broader and more sociological, the other more specific to the “arts”.2 Creativity is one of the central tenets that identify creative industries and workers from others in the economy. This is not to say that creativity does not exist in other fields, but it is at the core of the functions of this specific sector. Essentially, this economic sector includes those enterprises that have three basic characteristics. The activities of these enterprises involve some form of creativity in their production, they are concerned with the generation and communication of symbolic meaning, and finally, their outputs embody, at least potentially, some form of intellectual property.3 The creative industries definition tries to unify the creative chain of stakeholders in this economic cluster that brings a cultural commodity or service, either tangible or intellectual, from concept, to creation then to consumers.

The benefits accrued to cities through a focus on the creative industries sector have been realized around the world. Early examples of cities where a cultural renaissance has had a great impact on the economic revitalization of the urban economy can be found in Glasgow, Scotland, Barcelona and Bilboa Spain, and Chicago, U.S. The regeneration that occurred in each of these cities occurred for different reasons, with different catalysts, whether government or the private sector, but in all cases the creative industries in the communities were at the fore of the transformation. The value of this sector is both direct and indirect. In the first instance, it can, in some cases, provide a replacement for jobs lost in industrial transition, and it can contribute to the diversification of the overall economy. In the second instance, the indirect value of cultural industries come in the form of their contributions to the quality of life in the overall community which, as detailed in Richard Florida’s The Rise of the Creative Class, assist cities to compete in attracting, developing and retaining talented and creative people who generate innovations, develop technology-intensive industries and power economic growth.4

In the Hamilton context, the role of creative industries in the economic development of the city has been recognized by the City of Hamilton Economic Development department, which, in its
2005 Economic Development Strategy (EDS) identified film and culture industries as a unique emerging cluster in the city. The creation of this cluster was an important first step in recognizing the economic impact that creative industries can play on the Hamilton economy, but also the EDS acknowledged that there is a concern that Hamilton is lagging behind other communities because it has not similarly leveraged its cultural resources as an economic engine. Additionally, the Economic Development Strategy noted that very little research has been conducted on Hamilton arts industries and their contribution to the local economy.\(^5\)

In response to this need for additional research about the contributions the creative sector make to Hamilton’s economy, the Imperial Cotton Centre for the Arts (ICCA), in partnership with the Community Centre for Media Arts (CCMA), and the Centre for Community Study (CCS) came together to work on the Hamilton Creative City Initiative (CCI). The CCI project focused on allying existing research from Canada and abroad with the process of surveying the creative sector in Hamilton to garner a better understanding of its scale, the gaps in the sector, and how it fits into the overall picture of Hamilton’s economy and community. Each partner brings unique knowledge and skills to the project. ICCA, as the lead partner, has coordinated funding and contacts into the creative community in Hamilton. The CCMA committed its expertise in web design and data management to assist in the operation of the online survey and the gathering of results. Finally, the CCS designed the phase one survey and conducted research and analysis of survey results culminating in this report.
3.0 Hamilton in Context

This local project of surveying the creative industries in Hamilton follows other efforts to understand the economic impact of the creative industries upon the national economy. Beginning in 2004, Statistics Canada released a number of reports related to the creative industries in Canada, all of which relied on the statistics gathered from the 1996 and 2001 Censuses, the Statistics Canada Labour Force Surveys (LFS) and other CANSIM gross domestic product (GDP) data tables. These reports included one that established a framework by which to measure and qualify this cluster in the economy, as well as reviews of national, provincial and regional analysis of the cultural industries and their contributions to GDP and employment at each level. These reports are the most current available from Statistics Canada, therefore they are best understood as benchmarks for future research that will include data from the 2006 Census. This information will not be available until 2008.

3.1 Canadian Framework for Culture Statistics

In 2004, Statistics Canada released a report entitled *The Canadian Framework for Culture Statistics*, which was designed “to provide definitions and concepts to guide the collection of comparable statistic, as well as the development of indicators and analytical research” for the creative industries.

The Framework selects specific sectors that make up the creative industries using the North American Industry Classification System (NAICS) codes that are applied to economic studies of all industry sectors. The report sets out the importance of the links that exist between different sectors in the creative industries that make up the “creative chain”, meaning the emergence of a creative good or service from creation, to production, and consumption. These linkages are what allow analyst to determine how these sometimes different sectors relate to one another within the creative cluster.

In classifying creative sectors, Statistics Canada separates them into two general groupings, core and non-core activities. The distinction between these two is that the former sectors are engaged in those activities where the entire creative chain is in the scope of culture, while the latter are engaged in those activities where only part of the creative chain is in the scope of culture. A complete list of the Framework’s creative categories is presented in Appendix A.

3.2 Creative Organizations in Canada

The national report on the impact of creative industries on the Canadian economy is entitled, *Economic Contribution of Culture in Canada*. The study provided estimates of the economic impact of the culture sector, specifically on GDP and employment. It relied on the definition of the sector found in the Framework. The national report is the first of its kind and is the most detailed analysis of the impact of this industrial sector upon the Canadian economy.
3.2.1 Creative GDP in Canada

According to Stats Canada, the national GDP from creative activities amounted to more than $38 billion in 2001, which was close to a 32 percent increase from 1996. Figure 1 below details the growth in GDP over the 5 year period. The average annual percentage growth rate of the creative sector was the same as that for the total Canadian GDP at 5.7 percent. Additionally, the contribution of the creative sector to the Canadian economy was approximated at 3.8 percent of the Canadian GDP in 2001.9

Figure 1: GDP in the Creative Sector

![GDP in the Creative Sector](source: Statistics Canada)

Along with the analysis of the overall impact of the creative industries on the national GDP, this report provided a more detailed look at the impact of the creative sub-sectors identified by NAICS codes. Written media, which accounts for 43 percent of the culture GDP, is the largest sub-sector. Broadcasting and the film industry are also major contributors to the creative GDP, at 12 and 8 percent, respectively. These three sub-sectors combined generated more than half of the creative GDP over the period between 1996 to 2001.10 Figure 2 below displays the annual growth of these three sub-sectors between this period.

Additionally, the national report assessed the level of GDP growth within the creative sub-sectors for the period between 1996 and 2001. The festivals sector was the fastest growing sub-sector with an annual growth rate of 14 percent. Architecture and the film industry were the next fastest growing sectors with annual percentage growth of 9.8 and 9.0 percent respectively.
3.2.2 Creative Employment

The second component of this national report was an analysis of the impact of creative industries on employment in Canada. The results were drawn primarily from Labour Force Surveys (LFS) and other surveys. Stats Canada includes full-time, part-time and self employed individuals in their data. It is important to note that they do not include volunteers in their assessment. One important point that was stressed in the report was the “multiplier effect” of creative employment. This refers to “indirect jobs generated when the spending and wages of organizations circulate through the economy. These indirect jobs are located throughout the economy in the businesses that provide supplies or business services to the culture sector.”

Like the GDP data, the employment statistics range from 1996 to 2001. Accordingly, the employment figures in the creative sector as a whole grew 18 percent in that period. This significant increase compares to total Canadian employment growth of 12 percent over the same timeframe. As a percentage of total employment in Canada, the creative sector also grew a modest amount: about a third of a percent between 1996 and 2001, from 3.8 to 4.1 percent. At the sub-sector level, written media, broadcasting, and film industry not only produce the most creative GDP, they also employed the greatest number of people. Figure 3 below compares the number of employees in all creative sub-sectors for 1996 and 2001. There are a series of changes that have occurred within employment over the 5 year period. The film industry has surpassed both broadcasting and design to rest as the second largest employment sector of the creative industries. The film sector also showed the largest increase in employment. Design, performing arts, visual Arts and photography saw a reduction in employment between 1996 and 2001, but all other sub-sectors recorded employment increases.
The national trends of the impact of the creative industries on GDP and employment reinforced that this segment of the economy is one that is growing in both areas as compared to the general national measures of the economy. Also, in both instances, written media, broadcasting and the film industry are the top sub-sectors, in terms of the latter; the growth of employment between 1996 and 2001 is quite significant. It will be quite interesting to see the future growth of all the sub-sectors from the 2006 Census data to be released in 2008.

3.3 Creative Organizations in Ontario

Also in 2004, Statistics Canada released a related report entitled, *Economic Contribution of Culture in Ontario.* Like its national counterpart, this report drew on similar data sources, compared the results of GDP and employment over the same period of time, and relied on the Culture Framework definition of cultural industries.
3.3.1 Creative GDP in Ontario

Statistics Canada reported that Ontario’s percentage share of the national GDP for the period between 1996 and 2001 was relatively fixed between 45 and 47 percent. The creative sector in Ontario was a significant contributor to the growth of the national cultural sector GDP in 2001, at 47 percent. The contribution of the Ontario creative sector mirrored the contribution of Ontario’s total GDP to national GDP.

Ontario’s creative sector saw healthy growth over the study period, from more than $13 billion in 1996 to close to $18 billion in 2001. This reflects a 34 percent growth as compared to the total provincial GDP which reported a 40 percent growth over the same period. Additionally, the creative sector makes up 4 percent of the provincial GDP. Although the provincial creative sector growth was slightly slower than the total provincial GDP, the growth rate of the provincial creative sector was slightly faster than its national counterpart (34% to 32% respectively).

Again, like the national report, the Ontario study reviewed the impact of creative sub-sectors in terms of GDP. Similar to the national study, written media, broadcasting, and film industry were again the greatest contributors to culture GDP. Written media had the largest percentage share of the cultural GDP at 48 percent, with broadcasting following at 11 percent and the film industry at 9 percent. Those three, along with architecture, design, and advertising, also exhibited the greatest annual percentage growth.
Figure 4: Creative GDP by Sub-sector in Ontario ($millions)

Source: Statistics Canada

Figure 4 above displays the change in GDP for all creative sub-sectors from 1996 to 2001. Written media displayed the largest positive change in GDP from 1996 to 2001. The top four sub-sectors in 2001, written media, broadcasting, film industry and advertising were in the same position in 1996. Each one displayed positive growth, as did those sub-sectors at the lower end of the scale – design, architecture, heritage, photography and festivals. Performing arts, visual arts, libraries, and sound recording all showed a small reduction in GDP between 1996 and 2001.

3.3.2 Creative Employment in Ontario

Employment figures in the Ontario creative sector grew by 18 percent between 1996 and 2001, which is identical to growth in the national creative sector employment. This growth exceeds the growth of overall provincial employment (15%).

Unlike the national report, the provincial study provided more detailed information about the types of employment in the creative sector, for example whether people were full-time, part time, or self-employed, and whether they worked in the private or public arenas. By far the largest share of creative workers was found in the private sector, and the percentage of self-employed creative workers was greater than in the overall Ontario employment numbers (25% to 16%). While 7 percent of culture sector workers found employment in the public sector, 17 percent of all workers in Ontario were public sector employees. Figure 5 below demonstrates the breakdown of types of employment in the creative sector. The unemployment rate in the creative sector is also lower than that of Ontario’s general economy by two percentage points, on average (5% to 7%).
The breakdown of Ontario employment by creative sub-sectors provides some additional clarity of those fields that are more labour intensive. Figure 6 below displays the employment data for creative sub-sectors for 1996 and 2001.

Employment in the film industry more than doubled between 1996 and 2001. This sector eclipsed both advertising and design to become the second largest employer in creative sub-sectors in 2001. The leading employers in the Ontario creative sector differ from the national data. In Ontario, written media, the film industry and advertising are the largest employers, while nationally, broadcasting is the third largest employer. Although there was growth in employment in most sub-sectors, performing arts, libraries, visual media and photography all reported a decrease in employment. This could relate to the decrease or levelling in GDP experienced in these fields in the same period.
3.4 Creative Organizations in the Census Metropolitan Areas

Similar to the national and provincial studies conducted by Statistic Canada, the agency also released a report assessing the impact of the creative sector on Census Metropolitan Areas (CMA) in Canada. This report was also released in 2004, but it does not rely on the definition of culture established in the Cultural Framework. As a result of that, the categories included in this study differ from those at the national and provincial level. Although, like the other reports, it does rely on 2001 data, with a more detailed focus on the cultural labour force, including data related to employment in creative industry sub-sectors.

Some of the general information from this study that is important to highlight, is how Hamilton’s cultural labour force compares with other CMAs. Figure 7 below compares the top 10 CMAs in Canada, and is organized by the percentage of cultural labour force.

<table>
<thead>
<tr>
<th>City</th>
<th>CMA Rank</th>
<th>2001 culture labour force</th>
<th>2001 labour force</th>
<th>% of labour force in culture industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>1</td>
<td>154 000</td>
<td>2 522 000</td>
<td>6.1%</td>
</tr>
<tr>
<td>Montreal</td>
<td>2</td>
<td>97 800</td>
<td>1 765 800</td>
<td>6.0%</td>
</tr>
<tr>
<td>Vancouver</td>
<td>3</td>
<td>54 500</td>
<td>1 049 900</td>
<td>5.2%</td>
</tr>
<tr>
<td>Ottawa-Hull</td>
<td>4</td>
<td>23 600</td>
<td>585 900</td>
<td>4.0%</td>
</tr>
<tr>
<td>Calgary</td>
<td>5</td>
<td>22 100</td>
<td>564 000</td>
<td>3.9%</td>
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<tr>
<td>Quebec</td>
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<td>13 800</td>
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<td>13 800</td>
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</tr>
<tr>
<td>Hamilton</td>
<td>9</td>
<td>11 600</td>
<td>340 300</td>
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</tr>
<tr>
<td>Edmonton</td>
<td>6</td>
<td>16 600</td>
<td>526 800</td>
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</tr>
<tr>
<td>London</td>
<td>10</td>
<td>6 800</td>
<td>227 000</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada

In 2001, the Hamilton CMA (which includes Burlington and Grimsby) recorded 11,600 employed in the cultural industries\(^{13}\), which represented 3.4 percent of the entire Hamilton labour force. As compared to the other CMAs, Hamilton, which is the 9\(^{th}\) largest in Canada, has the 8\(^{th}\) largest percentage of cultural labour force. The region was behind Quebec City and Winnipeg, the two CMAs with the closest population sizes to Hamilton, but Hamilton’s percentage of cultural labour force was greater than Edmonton (3.2%) and London, Ontario (3%). It is important to note that the percentage of cultural work force as compared to the total work force for all the CMAs except for the top three (Toronto, Montreal and Vancouver), fall within one percentage point.
The results of these three Statistics Canada reports demonstrate that the creative industries sector is an important and growing component of the Canadian economy. In both GDP and employment, this sector reported increases in 2001 from 1996. The sector as a whole paralleled the overall economic growth in the country, yet the sector reported lower levels of unemployment than the overall economy, specifically in Ontario. The review of these reports provides an understanding of the overall contribution this sector does make to the Canadian economy. The work conducted as part of the CCI project presented in this report building on the existing Statistics Canada information by providing a more localized understanding of the contribution of the creative industries sector to Hamilton’s economy.
4.0 Methodology

The CCI project was designed to assess, in a holistic manner, creative organizations, workers and consumers in Hamilton. The primary activity of the project is to survey these three segments of the creative sector in the city in three phases. The first phase, which took place between February and October 2007, and which is summarized in this report, involved the review of existing research on the creative economy in Canada and abroad, and a survey of creative industries and organizations in Hamilton.

4.1 Formulating the Model Survey

The practise of surveying the creative industries to garner a better understanding of the role this sector plays in the urban economy is not unique. A number of other jurisdictions have done similar surveys. The CCS used a number of these examples from other communities to formulate an appropriate model for Hamilton. Specifically, the CCS relied on surveys and research from Chicago, New Mexico, and North East England. All of these studies were conducted in the last decade and were focused on gathering accurate information to understand the impact of creative industries on the local economies of their respective regions. Each one provided a different component to assist in structuring the CCI survey.

*The Economic Importance of the Arts and Cultural Industries in Bernalillo County* was produced by The University of New Mexico Bureau of Business and Economic Research in 2006. Two important features that were drawn from this model for the CCI survey were the reliance on the NAICS industry codes to categorize the creative industries, and, the fact that the survey included profit as well as non-profit organizations.

*A Survey of Chicago’s Cultural Landscape* was released in June 2002, and was conducted by the City of Chicago, Department of Cultural Affairs, the Metropolitan Chicago Information Center, and the Non-profit Finance Fund. The focus of this study was to gather information about both economic and geographic elements of the non-profit arts sector in Chicago to assist with municipal granting and planning. This study used geographic mapping to determine where in Chicago the arts organizations were located. This is something that has been replicated in the CCI survey. Also, the Chicago survey provided some insight into the structure and design of the survey.

The Centre for Urban & Regional Development Studies (CURDS), at the University of Newcastle Upon Tyne released *Culture Cluster Mapping and Analysis – Final Report to ONE North East* in 2001. The purpose of this study was “to provide the basis for the development of a Creative Industries Cluster Development Strategy.” This report, like the New Mexico example relied on the Standard Industry Classification (SIC) codes that pre-dated NAICS to define their sector. Also, the CURDS study included organizational mapping to demonstrate the links between different industries within the creative industries, showing how the overarching sector can be best understood as a cluster.
The CCI phase one survey drew on the materials gathered from these international surveys, but unlike those, which tended to be rooted from governments and universities, the CCI survey was generated from the creative community directly. It is important to note, that unlike these other surveys and reports, the CCI study did not review publicly owned creative institutions. The purpose of this study was to gather information on the private sector economic activity within the creative industries in Hamilton.

4.2 Defining the Creative Industries

As stated earlier, there are numerous definitions of the creative or cultural industries in the literature that surrounds this subject. For the purposes of the CCI project, the creative industries refer to organizations engaged in the creation, production, distribution, promotion and sale of creative goods and services.

4.2.1 Defining the Creative Industries Categories

The starting point for the CCI survey was to follow the models established in the other surveys and rely on the Canadian Framework for Culture Statistics. The Framework, which relies on NAICS categories, allows the CCI research to be comparable to national and provincial Statistic Canada data, and it ensures that there is a consistent measure for future analysis.

Although the CCI began with the Framework model, there are a few crucial differences that must be noted. The central difference is that this analysis did not include public cultural institutions, therefore the heritage and library categories of the Framework were excluded from the CCI survey.

Once the categories were established, the CCI sought input from a cross-section of individuals in the creative industries in Hamilton to determine if all appropriate sectors were included in the NAICS categories. The final result was a list of 14 general field categories, each of which has a selection of sub-categories within it. The complete list of the categories with examples of their sub-categories is displayed in Figure 8 below.

**Figure 8: Categories of Creative Industries**

<table>
<thead>
<tr>
<th>Creative Industries Categories</th>
<th>Examples of Sub-categories and enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>Display advertising, advertising agencies etc.</td>
</tr>
<tr>
<td>Architecture</td>
<td>Architectural and landscape architectural services</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>Radio, television and internet broadcasting entities</td>
</tr>
<tr>
<td>Design</td>
<td>Graphic, industrial and interior design firms</td>
</tr>
<tr>
<td>Educational</td>
<td>Performing arts departments at post-secondary institutions and fine arts schools</td>
</tr>
<tr>
<td>Festivals</td>
<td>Events without facilities</td>
</tr>
</tbody>
</table>
**4.3 Designing the Creative Industries Survey**

The purpose of this survey was to gather information that would assist in understanding the nature of the economic impact of the creative industries in Hamilton and to understand if and how the different sub-sectors that make up this grouping do indeed function as a cluster. The survey was structured into five general sections. The first section of questions dealt with organizational information including legal structure, type of activities, whether or not the enterprises have members and the nature of clients or audiences. The second section of the survey dealt with employment questions, including the type and number of employees and where they live. The third section requested information on the organizations’ space requirements, whether that space is owned or rented, what type of space was required and whether they had a use for community space.

The next section addressed financial issues such as revenue and expenses. Within this section there were questions related to grants, as well as requirements for specialized goods and services and whether these were sourced locally. The final section of the survey requested information about the nature of the social and business networks that currently exist within the sector and whether there is a demonstrated need for other types of events or information that this sector requires.

**4.4 Performing the Survey**

With the categories defined and the survey designed, the next step of the process was to build a comprehensive list of organizations to be surveyed. This was done by relying on the Hamilton Business Directory database (HBD), which is organized by NAICS codes. To supplement this, the ICCA drew together a broader list of other creative organizations that were not in the HBD.
database by relying on the memberships of umbrella organizations in the creative sector, such as Arts Hamilton and Hamilton Artists Inc. The combination of these sources netted 443 organizations who were all contacted by e-mail with a request for them to visit the CCI website to register to participate in the phase one survey. This group received six emails with general information and a request to participate in the survey from April 20th to July 25th, 2007.

Additionally, with the intention of capturing a larger segment of the creative community not found in the organizational sources used, a half page advertisement was placed in the View Magazine highlighting the project and encouraging creative companies and businesses to register for the survey. The View Magazine has a distribution of 30,000 copies per week across the greater Hamilton area.

Also, a link to the survey was sent out in the monthly Inc-formation email broadcast via the Hamilton Artists Inc., (approx 200) and by Arts Hamilton to it's entire membership (approx. 200). Finally, the ICCA attended the Arts Hamilton AGM and presented information about the survey to the approximately 50 people in attendance and helped groups with registration.

Once organizations were registered on the CCI website, they received follow up communication via e-mail and telephone encouraging them to complete the online survey at www.creativehamilton.ca. The survey was closed on July 31, 2007.

A total of 106 organizations from all categories registered at the CCI website, and of those that registered, 90 organizations completed the survey. This represented a 20 percent response rate from the initial total of 443 organizations who were contacted to complete the survey. There was a concerted effort to ensure that a good number of respondents participated from all the different sub-sectors. The largest number of responses came from the Performing Arts sector, while Festivals was the smallest group.
5.0 Survey Findings

As discussed above, the CCI survey was divided into five general sections; organization structure, employment, space requirements, financial information, and network links. Results of the survey are explained below by each question category.

5.1 Organization Information

5.1.1 Legal Structure

Respondents were asked to specify the legal structure of their organizations. As Figure 9 demonstrates, the majority of respondents from all creative categories indicated that their organizations are sole proprietorships (33.3%), which is followed by corporations (28.9%). These two types of organizations make up a majority of respondents at 62.2 percent. The combined percentage of charitable and non-profit organizations represents 21.1 percent.

![Figure 9: Legal Structure of Creative Organizations](image)

5.1.2 Membership

Of the 90 respondents, over 74 percent stated that they did not accept memberships, with the remaining 26 percent indicated that they did. In comparing the number of non-profit organizations and those that accept membership, 27 percent indicated that they do not. Of those organizations that identified themselves as charitable, only 25 percent do not accept memberships. One corporation indicated that they accept memberships.

5.1.3 Clients/Audience

Respondents were asked to indicate where their clients and audiences come from, whether their part of Hamilton, the rest of the city, the Greater Golden Horseshoe (GGH), other parts of Ontario, Canada, and international. Figure 10 below presents the percentage of all creative categories’ responses about audience/clients provenance, this is followed by a discussion of the top percentages of audience/clients for each of the sub-categories of the creative industries.
Figure 10: Source of Audience/Clients

The source of the majority of audience/clients for respondents is local. The combined percentages of neighbourhood and rest of city results is 58.6 percent. The neighbourhood source of audience/clients is slightly greater than those from the rest of the city. Audiences/clients from the GGH and Ontario are the next largest segments, supporting the view that the Hamilton creative industries are a regional sector. Interestingly, the percentage of audience/clients from international locations is larger than those from the rest of Canada.

In all but two cases, audience/clients for individual creative industries sub-sectors stem from the local area (within the Hamilton city limits). The two exceptions are photography, where the largest percentage of clients comes from the Greater Golden Horseshoe region. In the case of the film and video sector, the largest percentage comes from the province, followed by the local region. In all cases, except photography, the combined audience/client percentage in the local region (your part of Hamilton and the rest of the City) is the greatest.

5.2 Employment

Respondents were asked to provide information on their employment practices, including the number and type of employees. 80 respondents provided information about employment. There were eight categories of employment types, including full and part time, contract, event staff, seasonal, student/interns, volunteers and others. Figure 11 below displays the total number of employees by each employment type, while Figure 12 displays the percentages of employment types for all creative industries.
Figure 11: Number of Employees by Employment Categories

<table>
<thead>
<tr>
<th>Category of Employment</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract</td>
<td>460</td>
</tr>
<tr>
<td>Seasonal</td>
<td>265</td>
</tr>
<tr>
<td>Full Time</td>
<td>732</td>
</tr>
<tr>
<td>Part Time</td>
<td>491</td>
</tr>
<tr>
<td>Volunteers</td>
<td>1508</td>
</tr>
<tr>
<td>Student/Interns</td>
<td>193</td>
</tr>
<tr>
<td>Event Staff</td>
<td>36</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3688</strong></td>
</tr>
</tbody>
</table>

Figure 12: Percentage of Employment Types for Creative Industries

The largest single employment type for all creative industries was volunteers at just over 40 percent; this was followed by full time staff at close to 20 percent. The percentages of part-time and contract staff were quite close at 13.3 and 12.5 percent respectively. The combined percentages of the three top paid employment categories, full-time, part-time and contract represent a slim majority of employees for all creative sectors (46%).

There were certain sub-sector specific findings that are worth highlighting. Festivals rely more heavily on volunteer staff than other sub-sectors, but both core visual arts and umbrella organizations also rely on a large number of volunteers. Despite the fact that volunteers make up the largest total percentage of employees for all categories, a small majority of sub-sectors indicated that full time employees were the largest segment of their staff requirements. Those fields include advertising, architecture, broadcasting, photography, sound recording, writing and visual art (non-core). In fact, the visual arts (non-core) respondents indicated that they are reliant solely on full-time paid staff. Finally, 78.1 percent of all reported staff live in Hamilton.

Additional detail related to salaries ranges and the nature of work for creative employees will be explored in greater detail in the second phase of the CCI research.
5.3 Space

Respondents were asked to specify what type of space requirements they needed to perform their organizational activities, whether they rented or owned their space. Additionally, they were asked to indicate whether they also rented space to others and if they used community space in their activities. They were asked to identify the square footage by type of function, for example, whether they used the space for administration, display, multipurpose, performance, rehearsal, retail, special technical space, storage, studio, teaching, and other. It is important to note that some respondents indicated that they both owned and rented space.

When compared to one another, there was an even split between those who identified that they own or rent space for their business (50.6%). A slim number of respondents noted that they both own and rent space for their business use. Also, over a quarter of respondents indicated that they rented space to others, which demonstrates an additional means of income for these organizations. Finally, 28.7 percent of respondents stated that they use community spaces. Respondents from all categories except visual non-core organizations indicated that they use community space.

5.3.1 Owned Space

Respondents from all but two sectors, broadcasting and umbrella organizations, indicated that they owned some space. The largest single type of owned space by square footage was special technical space (38.3%). This result was due to a single large requirement for this type of space by respondents from the writing sector. This likely relates to space required for printing facilities for the large local newspapers. The next greatest amount of square footage by type of space was for administration (22.4%). Here, three sub-sectors, advertising, architecture and festivals, indicated that this was their greatest required space.

The largest segment of sub-sectors indicated that they owned studio space. These include design, education, film & video, sound recording and visual non-core. Core visual arts respondents indicated that square footage of multipurpose space was their largest requirement. Both sound recording and festivals indicated the need for storage.

The total number of square feet reported for all uses by all respondents was 524,634 ft². Figure 13 below details the average amount of required space by type of space for all respondents.
5.3.2 Rental Space

All sub-sectors of the creative industries indicated that they rented some form of space for their organizational function. In this instance, administrative space proved the most common (37.1%). Advertising, architecture, broadcasting, and writing all indicated that they rented the largest portion of space for administrative purposes. Design, education and film & video respondents indicated that they rented the most square footage for multipurpose use, while core and non-core visual arts organizations indicated their greatest rental space requirement was retail space. Performing arts and sound recording respondents indicated that they rented ample square footage for special technical use (17.3%). This resulted in this becoming the second largest segment of square footage after administrative space. Figure 14 below details the estimated average amount of square feet for each category.

Figure 14: Total Square Footage by Use – Rented Space

<table>
<thead>
<tr>
<th>Type of Space</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>36,563</td>
</tr>
<tr>
<td>Display</td>
<td>2,731</td>
</tr>
<tr>
<td>Multipurpose</td>
<td>11,640</td>
</tr>
<tr>
<td>Performance</td>
<td>5,883</td>
</tr>
<tr>
<td>Rehearsal</td>
<td>1,044</td>
</tr>
<tr>
<td>Retail</td>
<td>3,364</td>
</tr>
<tr>
<td>Special Use</td>
<td>17,090</td>
</tr>
<tr>
<td>Storage</td>
<td>2,440</td>
</tr>
<tr>
<td>Studio</td>
<td>12,029</td>
</tr>
<tr>
<td>Teaching</td>
<td>5,323</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>524,634</strong></td>
</tr>
</tbody>
</table>
5.3.3 Rent to Others

As stated above, approximately one quarter of respondents indicated that they rented space to others. This practise offers organizations an additional source of revenue and demonstrates one way that interconnections exist within the broader creative industries sector. Respondents from all but four sub-sectors indicated that they do rent space to others. These fields were architecture, broadcasting, writing and festivals. Overall, there proved to be a fairly even distribution of types of space rented to others. The two most common types were rehearsal space (17.1%) and performance space (15.8%). This was followed by studio space (11.8%) and then administrative (11.4%).

5.3.4 Community Space

A link between creative industries and their local community is demonstrated with the results from the survey query about whether or not organizations make use of community spaces. As noted earlier, close to 30 percent of creative organizations that responded to the CCI survey indicated that they do use some form of community space to supplement their requirements for space to perform their specific functions. The respondents were asked to specify what type of community space they used. A list of five options was presented. These were churches, community centres, museums, schools, and other type of community space. Respondents indicated that other types of spaces were the most common type of space used (27%). A wide variety of other spaces were identified, including, libraries, City Hall, union halls, art galleries, clubs, the Farmer’s Market, bookstores and Jackson Square. The next most common selections of community space were churches and schools (20%), followed by community centres (17%) and museums (15%). Performing arts organizations were most likely to use community spaces; festivals and the sound recording sector followed this.

The importance of the use of community space suggests a number of important links both between the creative industries themselves, and with their broader community. Within the other category of spaces listed, respondents included libraries, art galleries, bookstores and museums as spaces used. Each of these is a creative organization in its own right. Additionally, the use of other community spaces such as community centres, churches and schools demonstrates that the activities of creative organizations have a direct impact on their local communities both through the use of space (often at a cost) and the engagement of people outside of the creative sector. Finally, the use of these community spaces suggests a practice of creative enterprises building their audience base through existing organization, i.e. schools and churches, that already have a large base.
5.4 Financials

One of the more important indicators of the economic impact of the creative industries on the city of Hamilton is an analysis of financial activities of the organizations within the sector. The fourth section of the CCI survey was focused on gathering aggregate information related to annual revenues, expenses and their sources. For privacy reasons, respondents were asked to present their financial data in ranges. Therefore the aggregate information presented in this report are estimates based on those ranges. Additionally, the results of this survey are drawn from the survey respondents only and do not represent the total amount for the entire sector. They do however provide a snapshot of the contribution of this sector to the Hamilton economy.

5.4.1 Revenues

Respondents were asked to specify, within a range, what their annual revenues were for their last fiscal year. The estimated total annual revenues for the CCI respondents amounted to close to $63 million dollars.\textsuperscript{18}

Figure 15: Creative Industries Revenue ($,000)

Figure 15 above displays the percentage of respondents that fall within each revenue range. The majority of respondents (50.6\%) noted that their annual revenue was less than $50,000. The sum of all respondents below $200,000 makes up 77 percent of all organizations that participated in the survey. Close to 10 percent of respondents indicated that their annual revenues exceeded $2 million. Those respondents that reported revenue greater than $2 million are in broadcasting, performing arts, sound recording, writing, and core visual arts.
5.4.1.1 Charitable and NFP Revenues

In total, 19 respondents who indicated that they were either charitable or non-profit organizations provided information about their revenues. This represents 23 percent of total respondents. Revenues for this sector of respondents totalled approximately $18.5 million annually. This represents 29 percent of the total revenues for the creative industries. Figure 16 below displays the distribution of revenues from charitable and non-profit organizations.

**Figure 16: Charitable and Non-Profit Organization Revenues ($000)**

5.4.1.2 Revenue Sources

Following the general questions about revenue, respondents were then asked to detail their sources of revenue. Five categories were provided here, including grants and incentives, investments, sales of goods and services, space rental and other. As Figure 17 below indicates, respondents in all sub-sectors noted that the majority of their revenues were generated from the sales of goods and services (74.1%). For charitable and non-profit organizations, only 37 percent of their revenues were generated from sales and services. The other category was the next largest percentage of revenue at close to 13 percent. This included revenue generated from activities including donations, events, gaming, membership, performer’s fees, fundraising and sponsorship.
5.4.1.3 Grant Revenues

One interesting point about revenue sources can be found in the grants/incentives category. Only 8.6 percent of reported revenue for all respondents was drawn from grants. Eight of the fourteen sub-sectors identified grants as a revenue source, with the education sector reporting the largest percentage of revenue from this source at 32 percent. The film and video sector was the second largest group that reported revenues from grants at 20.6 percent of their total revenues from that source. The other sectors that reported grant revenues included festivals, performing arts, sound recording, writing, umbrella organizations, core and non-core visual arts.

Charitable and non-profit respondents indicated that 23 percent of their revenues came from grants. Specifically, no charitable organization indicated that more than 40 percent of their revenue was generated by grants. Only 3 non-profit organizations indicated that more than 80 percent of their revenue came from grants.

The further breakdown of the source of those grants was detailed in the survey. Those organizations that stated that they received grants were then asked to specify what type of granting body the revenue came from, for example federal, provincial, municipal, international or other sources. A slim majority of respondents indicated that the largest segment of their grant revenue was generated from the municipal level of government (32.7%), followed by federal sources (31.2%), then provincial sources (26.1%). The other category, which made up 10 percent of responses, included funding from other sources, mainly private foundations. None of the respondents indicated that they had received funding from international granting bodies.

5.4.2 Expenses

Similar to the questions related to annual revenues, creative organizations were asked a series of questions related to their annual expenses. This information provides some insight into how these organizations contribute financially to our community. The total estimated expenses for survey respondents are close to $48 million. Figure 18 below displays the breakdown of annual expenses for survey respondents. Similar to the results for the revenues section above, the vast
majority of expenses reported by respondents fall below the $200,000 amount (81%). Of note, though, is that a slightly larger percentage of expenses were declared at the ranges above $2 million (10.8%) than were reported for revenues. Other than these slight differences, the picture of annual expenses for creative industries mirrors that of annual revenues.

**Figure 18: Creative Industries Expenditure ($,000)**

![Bar Chart showing the percentage of respondents across different expense ranges](image)

Beyond the general questions about expenses, creative organizations were asked to provide some additional detail on what type of expenses they incurred. There were six categories of expense type provided, including accommodation, capital, operations, salaries/wages, specialized services, and other category. Figure 19 below displays the breakdown of expenses for creative organizations.

**Figure 19: Source of Expenses**

![Pie Chart showing the percentage breakdown of expenses](image)
Operating costs proved to be the largest single percentage of expenditures for all creative organizations (27.6%). This was closely followed by salaries and wages (25%), specialized services (16.3%), accommodation (15.6%), and then capital (10%). Organizations indicated that only 5.6 percent of their expenses were committed to other things such as royalties, licences, marketing, advertising, and travel and accommodation.

Although operations represented the largest percentage of expenses for all respondents, the breakdown of expenses by category displays different trends. Salaries and wages was the top expenditure for seven of the fourteen sub-sectors, specifically for advertising, architecture, broadcasting, design, education, sound recording, and umbrella organizations. Operations ranked as the top expense for only four sub-sectors; festivals, performing arts, photography, and non-core visual arts. The greatest expense reported for the film and video and writing sectors is specialized services, while the core visual arts sector responded that accommodation was their greatest expenditure.

5.4.2.1 Specialized services

One of the categories of expenses is that of specialized services, these are those services that are specific to creative industries. The value of specialized creative services is an example of an indirect economic impact of the sector in Hamilton. Close to 70 percent of respondents indicated that they do source many of their specialized services within the city of Hamilton. Those who responded that they do not source their specialized services locally indicated that this was mainly because the needed services are not available in Hamilton. It was also indicated that cost and lack of awareness of whether the services are available in the city were reasons why organizations did not source services locally.

The lack of awareness of certain local specialized services is one issue that could be studied in greater detail. This may identify additional areas of growth within the creative industries and related fields.

5.5 Network Collaborations

As demonstrated by the CURDS research in North East England, the interrelationships between different parts of the creative industries displays the clustering component of this sector. This clustering through networks of relationships is how this diverse collection of fields can be understood as a connected economic grouping.

One clear indication of the clustering of creative industries is through collaboration between organizations. Over 70 percent of survey respondents indicated that they do collaborate with other organizations within the creative industries. Among those most often cited in terms of collaboration were umbrella organizations like Arts Hamilton, the Imperial Cotton Centre for the Arts, and Hamilton Artists Inc. Additionally, respondents indicated that they also worked often with educational institutions like McMaster and Mohawk College, and also with art galleries and retailers like the Art Gallery of Hamilton, the James North galleries and shops, and Bryan Prince Booksellers.
Another way that cluster relationships are demonstrated is through membership in professional associations, which allows for introductions between organizations, advocacy and information sharing about common issues. Despite these benefits, a slim majority of respondents indicated that they do not belong to professional organizations (52.5%). One interesting trend found in the responses, was although Arts Hamilton was the main organization that many identified in terms of working collaboratively, only a small number of respondents indicated that they were actually members of the organization. This gap presents an opportunity for growth for Arts Hamilton to expand their membership.

Also, respondents were asked if they participated in industry events, 64 percent did indicate that they do participate in these events.

The final series of questions in the survey requested information about what types of external assistance would be helpful for creative organizations. Figure 20 below displays the breakdown of responses related to this query.

**Figure 20: Assistance for Success**

Respondents were most interested in receiving marketing and promotion assistance (37%) followed by venture start-up capital (18%) and then business planning (16%). This demonstrates possible areas where links can be made between creative organizations and those outside the cluster, as well as with the City of Hamilton’s Economic Development department, which has indicated that this cluster is an important emerging sector within the local economy. Further research would be needed to understand the specific nature of the assistance needed or how existing services can be tailored to assist creative organizations.
6.0 Spatial Distribution of Creative Industries in Hamilton

Observing the spatial distribution of the creative industries in Hamilton is an important component to understanding this sector. Figure 21 below charts the geographic location of all creative industry organizations that registered for the CCI phase one survey. Although this does not represent the entire sector, some important spatial trends can be observed.

To get a clear understanding of the number and location of different creative organizations, the respondents were organized into four broad category areas for the mapping exercise. These are design fields (design, advertising and architecture) visual fields (film & video, photography, visual arts core and non-core), media and umbrella (broadcasting, writing, education and umbrella organizations), and event and performance (festivals, performing arts and sound recording).

Figure 21: Creative Industries in Hamilton

Ward boundaries are outlined on each map. According to the survey respondents, Ward 2 proves to be the most populated creative community within the City of Hamilton, followed by Ward 1 and Ward 13. Three clusters are apparent; downtown Hamilton, the south-west of the lower city, and Dundas.
The following four maps display a breakdown of the different sub-categories of creative industries recorded in the survey. Each map includes a minimum of three sub-sectors, which are organized together based on the broad categories mentioned above.

**Figure 22: Creative Industry sub-sectors** (Design, Architecture, Advertising)

Figure 22 above displays the geographic location of survey respondents in three design related sub-sectors of the creative industries. The design sub-sector respondents are clustered in two main areas of the city, downtown and Dundas, with one respondent located in the Albion Falls area in the southeast part of the city.

Those architecture firms that participated in the CCI survey are centrally located in the city. Three of the four architecture firms are located in the lower city, while the fourth firm is located on the central mountain.

The advertising sector is a dispersed sub-sector, spread throughout the city, with firms located from Stoney Creek to Flamborough.
The geographic dispersion of respondents from the visual fields, including core and non-core visual arts, photography and film and video, is displayed above in Figure 23. There were only a few non-core visual arts respondents, and they are located in the lower city. There appears to be two clusters of core visual arts organizations located in downtown and in Dundas. Photography organizations are more dispersed throughout the city with respondents located in Stoney Creek, downtown, Dundas and Westdale. Finally, the film and video organizations are located mainly in the centre of the lower city, with a number of organizations located in close proximity in Dundas.
Figure 24: Creative industries sub-sectors (writing, broadcasting, education & umbrella)

Figure 24 displays the geographic location of respondents from four sub-sectors of umbrella, writing, education, and broadcasting organizations. As the map indicates, the majority of Umbrella organizations are located in the downtown area. Writing and broadcasting organizations are also centrally located, in the lower west part of the city, where they form a corridor through Ward 1. Educational institutions are spread throughout the western part of the city; on the Mountain and in Dundas, Westdale and Kirkendall neighbourhoods. Finally, broadcasting organizations are located throughout the city, in Stoney Creek, Flamborough, on the Central Mountain and in the western part of the lower city.
Figure 25: Creative Industries sub-sectors (sound recording, performing arts, festivals)

Figure 25 displays the physical locations for sound recording, performing arts and festival respondents. All three of these sub-sectors are spread more widely throughout the city than their counterparts in the creative industries. Sound Recording organizations are located in the central lower city, in Ainslie Wood, Ancaster, and Dundas. Performing Arts organizations are also spread throughout the lower city, with a few located in Dundas. The locations of the festivals do not indicate the actual location of these events, but rather the locations of their administrative offices. These are located in downtown Hamilton, on the south central mountain and in Dundas.
7.0 Conclusions and Next Steps

The first phase of the Hamilton Creative Cities Initiative (CCI) was focused on building a current snapshot of the economic contribution of the creative industries on Hamilton’s economy. This is not an exhaustive study of all organizations in the city, but rather a sample survey. Additionally, this part of the project addressed only organizations within the sector, not workers or consumers; future CCI research will address these other two components of the creative sector.

The review of existing national reports addressing this subject demonstrated that this industry sector has been growing since 1996, both in terms of contribution to GDP and to employment. Yet, as the national data presented here relied on older Census data, it would be valuable to revisit these results once the 2006 Census information is available.

In light of these cautions, some very interesting results emerged from the CCI phase one survey.

The majority of organizations within the cluster are small and medium sized private, for profit entities. The estimated revenues of respondents to the CCI survey were approximately $63 million dollars. The estimated expenses were reported as approximately $48 million. A large portion of the latter was dispersed in operating costs, salaries and wages to Hamilton employees and through the purchase of specialized services sourced locally. Although there appears to be a good diversity of different types of creative enterprises in Hamilton, the sector is comprised of mainly small businesses with modest profits. As there is a respectable level of growth for the sector over all, it should be viewed as a cluster that has potential for growth and greater success.

There were other ways in which Hamilton’s creative industries demonstrated strong links to the local area. The large majority of audience/clients for most organizations are from within the city, as are the majority of employees, whether paid or volunteer. Additionally, organizations indicated that they used community space for their functions, which demonstrated an additional way that these enterprises are reaching out to their community partners.

The creative industries in Hamilton is an integrated cluster as demonstrated by the practises of renting spaces to others, the high level of reported collaborations between different organizations, and the geographic clustering of organizations into two main areas of the city, the lower city and in Dundas. In terms of Ward boundaries, Ward 2 was home to the largest number of creative organizations.

Hamilton’s creative industries sector does contribute positively to the city’s economy, but there are indications that it could use some assistance to spur this growth. Respondents stated that they could use additional help with marketing and promotion to build their success. One specific area where this could be done is to expand the existing source of clients/audience for the local sector beyond the city’s boundaries.
7.1 Next Steps

This first phase of the CCI research into the impact of the creative industries on Hamilton’s economy and community represents the first attempt made to quantify and map these organizations in the city. Although the survey did receive a breadth of respondents from all the industry sub-categories, this is just a first step. The review of the impact of this sector should be revisited again in the near future. Hopefully, the results of this research would spur additional organizations to participate in this future research, increasing the sample size and enriching the findings.

This study of creative enterprises provides one part of a larger collection of information needed to fully understand the impact of this sector in Hamilton. The second phase of the CCI research will focus on creative workers. Specifically, this stage of the project will gather information related to incomes, education, general demographics, and the nature of work for this segment of Hamilton’s workforce. Additionally, the results of this phase of work will also be mapped to expand on the spatial understanding developed in this first report. The third phase of the CCI research will focus on consumers/users of creative products and services. Here, it is hoped to gather information related to what types of products and services are consumed, what influences the consumer’s decision with respect to what they are consuming, when and how, and finally what gaps exist within Hamilton that may assist in expanding the creative sector or expanding information about it to facilitate a greater number of Hamiltonians participating in creative enterprises.
8.0 Appendix A

Statistics Canada Categories of Creative Sectors

<table>
<thead>
<tr>
<th>Core sectors</th>
<th>Non-core sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcasting programming and services (radio, television, cable, satellite and Internet)</td>
<td>Advertising services</td>
</tr>
<tr>
<td>Festivals</td>
<td>Architectural plans</td>
</tr>
<tr>
<td>Heritage Services</td>
<td>Copyrights and related services</td>
</tr>
<tr>
<td>Library and archive services</td>
<td>Design plans</td>
</tr>
<tr>
<td>Motion picture, films and video</td>
<td>Educational services</td>
</tr>
<tr>
<td>Performing arts (live performances and artistic support services)</td>
<td>Mass produced visual art</td>
</tr>
<tr>
<td>Printed music</td>
<td>Photography</td>
</tr>
<tr>
<td>Sound recording</td>
<td>Support services</td>
</tr>
<tr>
<td>Visual arts (original art and crafts)</td>
<td></td>
</tr>
<tr>
<td>Writing and published works (books, newspapers and periodicals)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistics Canada
9.0 References


3 Ibid pp. 4.


7 Ibid., 10.


9 Ibid. 9

10 Ibid, 12

11 Ibid., 15


13 There is a distinction here between those who work in cultural occupations, and those who work in the cultural industries. Coish states “Cultural industries have workers in culture and non-culture occupations, such as administrative staff and accountants.” (27)

15 Zehr, Alison and Julie S. Burros. July 2002. *A Survey of Chicago’s Cultural Landscape.* [http://egov.cityofchicago.org/city/webportal/portalContentItemAction.do?topChannelName=HomePage&contentOID=9297&Failed_Reason=Invalid+timestamp,+engine+has+been+restarted&contentTypeName=COC_EDITORIAL&com.broadvision.session.new=Yes&Failed_Page=%2fwebportal%2fportalContentItemAction.do](http://egov.cityofchicago.org/city/webportal/portalContentItemAction.do?topChannelName=HomePage&contentOID=9297&Failed_Reason=Invalid+timestamp,+engine+has+been+restarted&contentTypeName=COC_EDITORIAL&com.broadvision.session.new=Yes&Failed_Page=%2fwebportal%2fportalContentItemAction.do)


17 Ibid.

18 This estimated total was reached by multiplying the number of respondents in each range category by the middle value in that range. For the lowest range (less than $50,000), $50,000 was used for the estimate and for the highest range (more than $5 million), $5 million was used as the base amount. The estimated annual revenues total is $62,864,500.

19 The estimated annual revenues total for charitable and non-profit organizations is $18,431,000.

20 The estimated total of expense was reached in the same manner as the estimated total of revenues. The estimated annual expenses total is $47,763,500.