



The Strategic Counsel

Building the Case for Business Support of the Arts

**A Study Commissioned by Business
for the Arts**



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I. Executive Summary



Executive Summary

A. Introduction

This report brings together new research and other findings to lay the foundation for a more evidence-based case of business support of the arts. Previous work by Business for the Arts, including an extensive series of roundtable meetings with the business community had identified the need to build a stronger case for business support of the arts. This work presented here is the first stage of this process. This first stage consisted of surveys of large, small and medium sized businesses and the general public; the results of a literature review of research related to the benefits of the arts, analysis of data from CADAC¹ relating to business and government support to arts organizations applying for operating grants from one of the CADAC members and, finally, a roundtable of Toronto based businesses who were members of Business for the Arts.

B. The Public

The general public survey indicates that engagement with the arts is extensive and takes many forms. This includes:

- Activities undertaken at home, such as reading novels (the most preferred home based activity and ahead of watching TV);
- The act of creating art (50% of Canadians are engaged in making or creating in a variety of different genres);
- Parents engagement with their children through arts activities (extensive outside the school engagement); and
- The traditional forms of arts engagement through activities, such as watching performances or visiting galleries and museums (84% of the public engaged in at least one of 12 arts related genres in the last year).

For businesses, the public's extensive engagement with the arts and the various forms this takes provides a series of opportunities to reach consumers in new and different ways.

There is also evidence in the general public survey that the arts are at least as popular as sports. In fact, more Canadians express an overall preference for the arts over sports. Further, when asked which activities they prefer to undertake, going to professional sporting events, going to live performing arts events and visiting museums and arts galleries are all more or less at the same level of preference. Importantly, there are significant differences in this issue between Quebec and the rest of Canada. In Quebec, 48% say they

¹ CADAC is a web-based integrated financial and statistical system for Canadian arts organizations applying for operating funding which allows the Canada Council and other public funders to collect and share common financial and statistical data. CADAC partners include provincial, territorial and municipal arts funders. They are the British Columbia Arts Council, the City of Vancouver, the Alberta Foundation for the Arts, the Edmonton Arts Council, the Saskatchewan Arts Board, the City of Saskatoon, the Manitoba Arts Council, the Ontario Arts Council, the Toronto Arts Council, the City of Toronto Culture Division, the City of Greater Sudbury, The City of Kingston Arts Fund, the New Brunswick Arts Development Branch / Department of Tourism, Heritage and Culture, the Newfoundland and Labrador Arts Council and the Canada Council for the Arts.



prefer arts over sports (22%), while in the rest of Canada it is more even 29% (arts) to 31% (sports). (This difference, however, does not translate into greater engagement.) Yet, despite the level of interest in the arts, sports often appears to gain more attention and attract more business sponsorship than the arts. Interest in the arts, broadly defined, is also confirmed by the fact that going to hear live music is more frequently preferred over attending a live sport event.

Furthermore, there are distinct gender differences in preferences for the arts and sports. While it has long been known that women are more likely to attend arts events than men,² this research also explores attitudinal differences by gender and explores some of the factors that might be responsible for these differences. Aside from better understanding what a better business case for the arts might look like, this research also identifies the gender gap as a serious impediment to building more interest in the arts and also for making a stronger case for business engagement with the arts.

Continuing on the arts vs. sports theme, when the attributes most associated with the arts and sports are compared, a distinct profile of the two groups emerges in terms of the attributes associated with each. Overall, honesty, confidence, authenticity, passion, creativity, determination and teamwork are identified as the most important attributes, with honesty easily the most important of all. While some of these attributes are identified with both the arts and sports, there are also distinct differences. Where there are differences, the arts tend to be identified more with honesty, authenticity and creativity. Sports, on the other hand, are identified more with determination and teamwork. The attributes of confidence and passion tend to be identified with both activities.

What is interesting is that the attributes more associated with the arts, honesty and authenticity in particular, and creativity to a lesser extent, are also the attributes associated with a new style of business leadership that many commentators argue is the new leadership style emerging in the business world, where collaboration and honest and authentic expression are valued as leadership traits. The fact that the arts are, in part, seen to embody some of these traits gives a greater relevance to the arts, since they are seen to facilitate and embody these traits. This helps to give the arts importance in terms of expressing these traits and a new relevance that can help build a case for greater business interest in the arts.

The review of the literature on the benefits of the arts showed that benefits in the form of enhanced well-being and health, the intellectual and emotional development of children, assistance to disadvantaged youth and more vital communities could all be attributed to engagement with the arts. Further, the literature review also showed that links between arts organizations and health care and social service organizations were being made that benefitted patients and social service agency clients. At a time with health care costs continuing to climb, creative ways of improving health and well-being through engagement with the arts offer opportunities for benefits to both health care organizations, social service agencies and arts organizations. The fact that the opportunity is emerging for arts organizations and health care and social

² Canadian Arts Consumer Profile: 1990 – 1991, Queen's Printer, Ottawa, 1992.

A Decade of Arts Engagement: Findings from Surveys of Public Engagement in the Arts, 2002 – 2012. National Endowment for the Arts, Washington, 2015



service organizations to work together also provides opportunities for the businesses to create links with both these groups and through supporting arts organizations also promote well-being, education, support for the disadvantaged and building healthy communities.

In part the research undertaken among the public also explored the extent to which Canadians believe that engagement with the arts could enhance health and well-being, assist the intellectual and emotional development of the young, assist the disadvantaged and lead to community vitality. By and large the findings indicate that the public believe that the benefits cited above constitute good reasons to support the arts and, moreover, that the claims made about the benefits of arts engagement are believable. The implication here is that if businesses were to embrace the arts for the reasons cited above, the public would likely be supportive and appreciative of businesses' support for this type of endeavour.

C. Businesses

CADAC data³ reported by arts organization seeking operating grants illustrate that business support for the arts has increased significantly over the last few years, while support from all levels of government has declined slightly. While the surveys completed by businesses for this report do not indicate that this increase in funding is in any way a response to any government funding cuts, the fact that support for the arts from businesses has increased indicates that the arts hold some importance for many businesses. And while the present research indicates that there are significant challenges to increasing support from businesses, it also shows how a stronger case for support could be made.

Although the great majority of businesses of all sizes report that they donate to a variety of types of organizations, a minority of small businesses and approximately half of medium and large businesses report that they support the arts. This support comes in the form of both donations and sponsorships.

For most businesses, other types of organizations are more likely to be recipients of support and particularly health and social service organizations. This suggests that arguments that promote the community, well-being and education-related benefits of arts engagement could be powerful ways of making a stronger case for business support of the arts. This is especially important, given that among both small and medium sized businesses that do not support the arts, one of the most important reasons given is that there are more important causes to support. Linking the arts more strongly to health care and social services could, in part, help address this perceived lack of importance issue.

One of the other major reasons given for not supporting the arts is that the business had never been asked to support an arts organization. This, once again, reaffirms the need to seek out businesses and ask for their support.

For the most part, all three sizes of business indicate that their prime motive for providing support to organizations is for the community rather than the business benefits. This is confirmed when specific reasons for providing support are explored. The reasons which received the most mentions focus on the

³ These data used in this report were validated by CADAC (Canadian Arts Database/Données sur les arts au Canada) and compiled by the Research and Evaluation Section of the Canada Council for the Arts.



arts, including: providing community benefits in the form of more vibrant communities with an enhanced quality of life, improvements to children's academic performance, assistance to disadvantaged youth, arts organizations education initiatives that benefit society overall and, finally, improvements to health and well-being. On the other hand, those reasons that focus on business benefits are generally less supported as motives for supporting the arts.

Among businesses supporting the arts, most indicate that they are interested less in the return on the investment (ROI) than they are in the *social* return on the investment (SROI) of their support. However, most indicate that that they do little to measure the SROI. In fact, among businesses that indicate they measure the impact of their support, in almost all cases, they do so in relation to ROI measures.

The implication here is that there is an opportunity to develop a set of SROI measures and that these measures could include a number of the areas that have been found to be important to both the public and to businesses as reasons for supporting the arts. This list would include: the benefits the arts provide in enhancing well-being and health; the contribution art makes to creating vibrant communities; the potential of art to assist disadvantaged youth; and, finally, the role of art in enhancing the emotional and intellectual development of children. As noted in the literature review, all these benefits are supported by ample research. This suggests that building a business case and developing a set of SR, OI measures that complement this case could be combined. In this way, a more compelling, data-based approach to arts support would be developed.



II. Introduction and Methodology



Introduction and Methodology

Previous interactions between the business and arts communities identified the need to build a stronger, more research-based case for business support for the arts⁴. The results of the research program presented in this report is the first step in building this case.

The program of research has been designed to yield multiple layers of evidence and consists of:

- A **literature review** of research relating to the role and impact of arts and cultural engagement (located in the Appendix of this report);
- A **series of roundtables** with businesses leaders in the philanthropic and sponsorship areas designed to identify and explore issues related to the type of information needed to build a case for the arts. (This process is ongoing, with one roundtable held in Toronto and others to be held in 2015 in Calgary, Winnipeg, Ottawa and Montreal);
- A survey of small and medium sized businesses (up to \$50 million annual revenues; n=239) designed to explore:
 - The extent of support for the arts;
 - Reasons for support or lack of support; and
 - Responses to values and attributes associated with the arts.
- A survey of larger businesses (annual revenues in excess of \$50 million; n=57) designed to explore:
 - Reasons for support or lack of support for the arts;
 - Identification of factors that would enhance support; and
 - Extent businesses measure the ROI and SROI of their investment in the arts and how they measure this investment.
- A survey of public engagement with the arts (n=1500) and designed to explore:
 - Identification of the various forms of engagement;
 - Profile of those engaged;
 - Identification of values associated with the arts; and
 - Identification of factors that enhance support for the arts.
- Data from CADAC and which included:
 - Information on funding received by arts organizations from all levels of government; and
 - Information on private sector support, both financial and gifts in kind

The results contained in this report (based on the first wave of research) are provisional and will be refined and extended through further roundtables with the business community and in research to be conducted during 2015. Even at this early stage in the process, work done to date indicates that a robust case for further investment in the arts on the part of the businesses community could enhance this partnership for

⁴ Business Support for the Arts: A Report of Canadian Roundtable Discussions (2010-2012). Business for the Arts and the Canada Council, 2012.



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both parties. The next stage of this research process (as noted above) is to engage with the business community through a series of roundtables and discuss the results of the research in order to solicit feedback on the case proposed in this report. This will lead to further refinement of the case and additional exploration during 2015-16.



III. General Public



General Public

A. Introduction

The results presented in this first section are from a national survey, using an online panel, of the general public. In all, 1,500 Canadians were surveyed in all provinces and proportional to the distribution of the population across the country.

The rationale for enlisting the public in building a case for business support of the arts is two-fold:

- To identify the extent of public interest and engagement with the arts, including the range of this engagement and who is engaged;
- To assess responses to the various benefits which extensive research has identified as being associated with various forms of arts engagement, including:
 - Enhanced health and well-being;
 - The intellectual and emotional development of children;
 - Benefits for children at risk; and
 - Healthier, more vibrant and robust communities.

Our intent in undertaking the public research is to identify the extent to which the public would support businesses supporting the arts, including support for the kinds of SROI arguments that might underpin a new rationale for business support of the arts. In addition, this research also demonstrates that there is broad engagement with the arts across all age groups and that by supporting the arts the business community is supporting a set of activities that many Canadians value highly. Further, this research is also designed to provide insight and value to the arts community by exploring in an in-depth way who engages with the arts, how extensively and the range of this engagement.

B. Context

1. Leisure Time Activities

Canadians are a highly home-centered, at least based on the leisure time activities they say they like to engage in, when presented with a list of 33 activities and asked to choose. Three of the top four activities involve watching TV (movies or non-sports related programming) or surfing the internet and the fourth is socializing at home with friends or family. Further, when asked to identify from the same list their three most preferred activities, the first five are once again all home-based. For arts organizations, this presents a challenge of either persuading the public to leave home more frequently in order to take part in arts-related activities or finding ways of connecting with them and monetizing this connection in their home.

Among those leisure activities that have an arts or cultural dimension, listening to music (58%) (which can take place outside the home, in a car, for example) and reading for pleasure (57%) are the most frequently cited and are among the top ten leisure activities overall. Moreover, when asked to identify their top three leisure activities, reading for pleasure is the most frequently cited (23%) and ahead of watching TV (20%).



This demonstrates that arts engagement can and does take place in the home and that business support of literature would resonate with a wide audience.

Outside of the home, eating out and going to the movies are the most frequently cited activities. And while sports are often seen as a competitor in terms of business and government support of the arts, outdoor activities (such as being in nature, hiking and visiting local parks) are well liked activities that likely compete for time, if not money, and are cited fairly frequently as preferred leisure times activities.

TABLE 1: SELECTED PREFERRED LEISURE TIME ACTIVITIES

	Like to Engage In	Top 3 Most Preferred	Undertaken Outside the Home in Last Month
	%	%	%
Watching movies at home	68	16	N/A
Watching TV (except sports)	67	20	N/A
Surfing the internet	65	18	N/A
Talking/hanging out with friends/family at home	61	18	M/A
Eating out (non fast food)	59	16	68
Listening to music	58	12	N/A
Reading for pleasure	57	23	N/A
Going to the movies	46	8	34
Being in nature (e.g. hiking, bird watching)	40	9	4
Watching sports on TV	37	11	N/A
Going to hear live music	29	3	N/A
Going to live sporting events	25	4	15
Going to performing arts events	23	4	19*
Visiting a museum/art gallery	22	2	N/A
Visiting a science center/zoo	16	<1	N/A
Yoga/meditation	10	2	N/A
Visited a public library	N/A	N/a	24

*Described as "Attended an arts/cultural event/activity"

The most cited arts related activity outside the home is going to hear live music (29%), well ahead of attending a sporting event (25%); while attending a performing arts event (23%) and visiting a museum or art gallery (22%) are cited a little fairly frequently. However, and significantly, none of the following activities, attending live sporting or performing arts events (4% each), going to hear live music (3%), or visiting art galleries or museums (2%) are identified with any frequency as being one of the public's top three ways of spending leisure time. These, again, are dominated by home based activities, with reading for pleasure the most frequently cited (23%). Clearly, while many of the preferred leisure activities are home-based, this fact does not exclude the importance of the arts as defined by reading for pleasure and listening to music.

The public's interest in arts and cultural activities is confirmed when leisure activities undertaken in the last month outside the home (from a list of 20) are identified. In all, 24% report visiting a public library, 19% report attending an arts/cultural event/activity, and 15% report attending a professional or amateur sporting event.



The implication here is that arts and cultural activities, whether in the form of reading, listening to music, going to hear live music, attending a performing arts event or visiting a museum or art gallery, are enjoyed by a large share of the population, even if other activities, often home based, may be more highly favoured. The wide variety of arts-related activities identified by the public suggests that there is widespread engagement with the arts and opportunities for businesses to connect and engage with the arts in new and different ways.

2. Gender and Arts Preferences

While age, to be discussed below, does not appear to be a strong driver in arts engagement, findings indicate that gender is a major differentiator in terms of both general interest and engagement with the arts. In terms of activities of interest, women are consistently more likely, by a considerable margin, to express a preference for engaging in a variety of arts related activities. Men, by contrast, are more sports focused.

TABLE 2: PREFERRED LEISURE TIME ACTIVITIES

	TOTAL	Males	Females
	%	%	%
Listening to music	58	54	62
Reading for pleasure	57	44	71
Going to the movies	46	43	50
Watching sports on TV	37	51	23
Going to hear live music	29	24	34
Going to live sporting events	25	28	22
Going to performing arts events	23	19	28
Visiting a museum/art gallery	22	21	22

This also translates into activities engaged with in the last month. Among men, 18% say they attended a sporting event and 19% an arts/cultural event/activity. By contrast, among women just 11% report having attended a live sporting event compared to 20% who report having attended an arts/cultural one.

3. Age and Arts Preferences

Although arts engagement is spread across all age groups, variations exist and these will be dealt with in more detail later in this report. However, in terms of self expressed preferences, the following can be summarized:

- Listening to music is above the overall average for 18 – 24 years old, drops a little after this age and remains stable across all other age groups;
- Reading for pleasure is high across all age groups, but is highest after age 45;
- Attending performing arts events is higher for those 35 year of age and above;
- Visiting museums/art galleries declines steadily with age; and
- By comparison, attending live sports events declines with age.

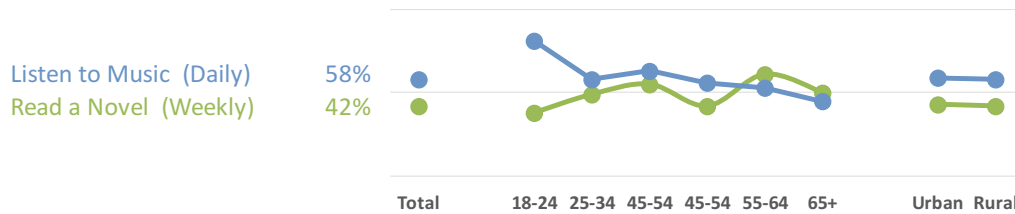


C. Arts Participation

1. Activities Undertaken in the Last Year

One of the factors that businesses indicate would have an impact on their support for the arts is the extent of public engagement with the arts. This survey and other like it indicate that there is extensive engagement on the part of the public with the arts and that this engagement takes many forms. As noted above, the most frequent form of arts engagement is listening to music and a majority of Canadians report doing this daily. (However, it is not clear what type of music is being listened to.) Reading a novel is also a frequent activity with over four-in-ten reporting that they read a novel at least weekly. Both activities are undertaken across all age groups and in all parts of the country.

FIGURE 1: ARTS ACTIVITIES – AT HOME (by Age and Location)



One of the attractions of the arts is that they cover the range of human expression. And while there is no particular art form which appeals to everyone, the sheer variety of art forms makes it easy for people to find one they can engage with or in. In order to explore the forms of engagement, 12 different arts genres (limited to those which are typically enjoyed outside the home) were explored in terms of the extent and frequency of engagement with each activity.

As might be expected, engagement on a yearly basis varies. Thus, roughly eight-in-ten (79%) respondents reported going to the movies, the most frequently-cited activity by a wide margin, while only 21% of respondents reported going to dance/ballet or opera/classical/chamber music. It is clear from the table below that engagement with any specific form of art was low with only a few among the respondents reporting they were highly engaged with a particular art form (i.e., reported attending art activity or engaging with art form on many occasions throughout the year). But, the diversity of the arts is such that while attending/visiting for most people may only take place one or two times a year for specific genres, in terms of overall engagement, a large proportion of the public are engaged in multiple genres and can therefore be reached by sponsors in multiple ways.



TABLE 3: EXTENT OF PUBLIC ENGAGEMENT IN ARTS RELATED ACTIVITIES

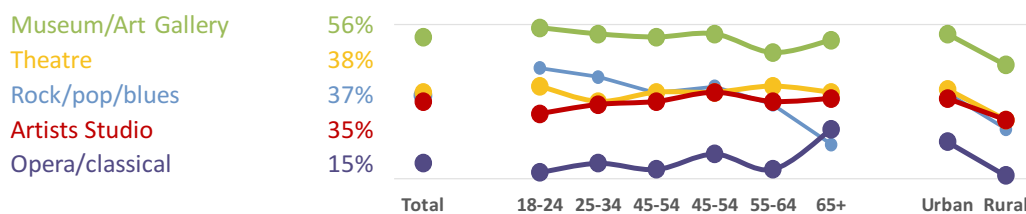
ACTIVITY	PERCENT ENGAGED	MEDIAN NUMBER OF TIMES	PERCENT 4 OR MORE TIMES*
Movies	79	3	47
Heritage site	59	2	18
Public art gallery/museum	56	2	16
Pop music	42	2	16
Theatre (non musical)	38	1	14
Rock/rap/blues	37	1	18
Commercial art gallery	36	1	12
Musical	36	1	11
Studio (craft/architecture/design)	35	1	12
Jazz/world music	22	1	13
Dance/ballet	21	1	14
Opera/classical/chamber music	21	1	16

**Among those visiting/attending*

It is also clear that for many genres all ages are engaged and a broad range of people can therefore be reached by sponsors. Unlike reading and listening to music (which can take place at home and do not require a venue) research indicates that engagement with most forms of art and culture tends to be more of an urban, as opposed to rural phenomenon. This fact has less to do with interest and more to do with opportunity or the lack thereof and speaks to the general absence of art venues in rural areas. In addition, regional differences are minimal.

FIGURE 2: ARTS ACTIVITIES – OUTSIDE HOME (by Age and Location)

Attended/Visited in last year



In order to better understand the extent of individual engagement across all arts and cultural activities explored, an additive index was created. Each respondent was scored on the number of times a year they estimated that they attended each specific activity and was then grouped into high (17 or more times) medium (8 - 16 times) low (less than 8 times) or no participation (movie going was excluded from the calculation). This analysis shows that just 16% of the population showed no participation, while 44% were categorized as ‘low’, 24% as ‘medium’ and 17% as ‘high’ participation. While it is clear that a majority (60%) of Canadians are not frequently engaged with the arts, almost all have some engagement and even among those with low engagement this group still takes part in up to eight activities a year. Although



findings indicate that there are significant demographic variations in terms of participation, there is little variation by region. In Quebec, for instance, and using the same index of engagement, 17% report no attendance compared to 15% for the balance of the country, while among those reporting 17 or more events/activities the proportions are 15% and 17%, respectively.

TABLE 4: DEMOGRAPHIC VARIATIONS IN FREQUENCY OF ARTS ENGAGEMENT OUTSIDE THE HOME

	NONE	LOW	MED	HIGH
	%	(1-7)	(8-16)	(17+)
TOTAL	16	44	24	17
AGE				
12-24	10	48	25	18
25-34	14	42	24	19
35-44	20	43	18	19
45-54	15	41	28	16
55-64	16	48	24	12
65+	17	43	23	16
HOUSEHOLD INCOME (\$1,000's)				
Under \$40	21	43	21	15
\$40-\$79	17	46	23	14
\$80-\$124	16	43	26	15
\$125+	8	39	25	28

While all age groups are engaged in the arts, income plays a role in participation

	NONE	LOW	MED	HIGH
	%	%	%	%
TOTAL	16	44	24	17
EDUCATION				
High School or less	24	52	26	8
Some College/University	17	44	24	15
College	14	52	24	11
Undergraduate Degree	15	38	28	19
Post Graduate	8	31	26	35
ETHNICITY				
Visible Minority	17	35	29	19
Non Visible Minority	16	45	23	16

But, education plays the largest role. Visible minorities are as engaged as other Canadians

Arts engagement outside the home varies somewhat by age, although all age groups and income levels report participation. This is especially the case among those just entering adulthood (18 – 24 years of age)



where just 10% report no engagement. Household income is also a significant predictor of arts engagement, but the biggest predictor of engagement is education. As both income and education increase so does the level of arts engagement as measured by the index. In all, 35% of those reporting some type of post-graduate education have a high level of arts engagement (taking part in 17 or more activities a year) and 28% report annual household incomes of \$125,000 or more. This raises the intriguing question of what it is about higher levels of education that heightens or strengthens interest and engagement with the arts. To some extent income plays a role here since, generally speaking, higher income allows for more discretionary spending some of which goes to arts related activities. But this is not the only factor and findings suggest that education has an impact on arts engagement. Needless to say, in supporting the arts, businesses are reaching a highly desirable market segment.

As noted earlier, men had different preferences in terms of the activities they liked to engage in, when self-reported behavior is explored. While men are more likely than women to report no engagement (18% compared to 13%, respectively) they are also more likely to report a high level engagement (19% to 14%) relative to women. This is somewhat puzzling, given the dramatic differences between men and women, noted above, in terms of preferences for arts related activities. However, part of the reason appears to be greater male participation in activities like rap/rock/blues and jazz/world music. It is also likely that many males are accompanying partners or friends of the opposite gender, who may, in fact, have stronger interest in a particular art form. If this is the case, and the evidence appears to suggest that it is, then one challenge for arts organizations is to explore how to build greater engagement among men, rather than rely on partners to provide the interest.

2. Extent of Creative Engagement

In addition to engaging as a visitor or audience member, half (50%) the population also report that they are involved in some form of artistic expression. This ranges from making crafts of some kind (18%) or digital or new media art (5%).

TABLE 5: LEVEL OF ENGAGEMENT THROUGH ARTISTIC EXPRESSION

ACTIVITY	%
Crafts	18
Sing/compose/make music	12
Paint/draw/sculpt	12
Social dancing	11
Write stories/poetry/plays/scripts	8
Take lessons/courses/training in an arts/cultural activity	7
Design construct functional objects such as furniture	7
Digit/new media art	5
None	50

Interestingly, findings indicate that engaging in creative activities is spread across all age groups and, contrary to what was reported about the link between income and education and attending performances, creative engagement appears to be spread quite equally across income and education groups. This suggests that businesses can reach out and sponsor those creating and they will reach a broad range of individuals.



Further, there is a strong link between creating and visiting and attending arts activities. Those who report undertaking some of the activities shown above are more likely to report attending multiple arts activities.

Returning once more to the issue of gender, women are also more likely to report participating in a creative activity than men. This, again, reinforces the challenge of engaging men in arts activities, whether through being a creator or consumer of the arts.

TABLE 6: RELATIONSHIP BETWEEN ARTS CREATING AND ARTS CONSUMPTION

	TOTAL	CREATING	
		NONE	SOME
n=	1514	755	759
ENGAGEMENT	%	%	%
None	16	25	7
Low	44	49	38
Medium	24	19	29
High	17	7	26

TABLE 7: GENDER AND ARTS CREATING

	Male	Female
	%	%
None	56	42
Some	44	58

3. Parents and Their Children

Among parents of children 18 years of age or under, almost all (76%) report that their child is engaged or has been engaged in an arts activity of some kind, either through school or of the parents own initiative. For example, a third of parents report that their child is or has been involved in dance and 94% report that this activity is or was undertaken outside of school. The highly engaged, child-focused parent of the first part of the 21st century sees the arts as a vital influence for the development of their children. Much of this activity appears to be initiated by the parent or child and takes place outside of the school, in addition to what might be undertaken at school. The level of engagement also suggests that local businesses in communities across the country could more fruitfully support local arts education initiatives, many of which are privately (i.e., parent funded) rather than publicly funded.



FIGURE 3: PERCENTAGE OF PARENTS REPORTING CHILDREN INVOLVED IN THE ARTS

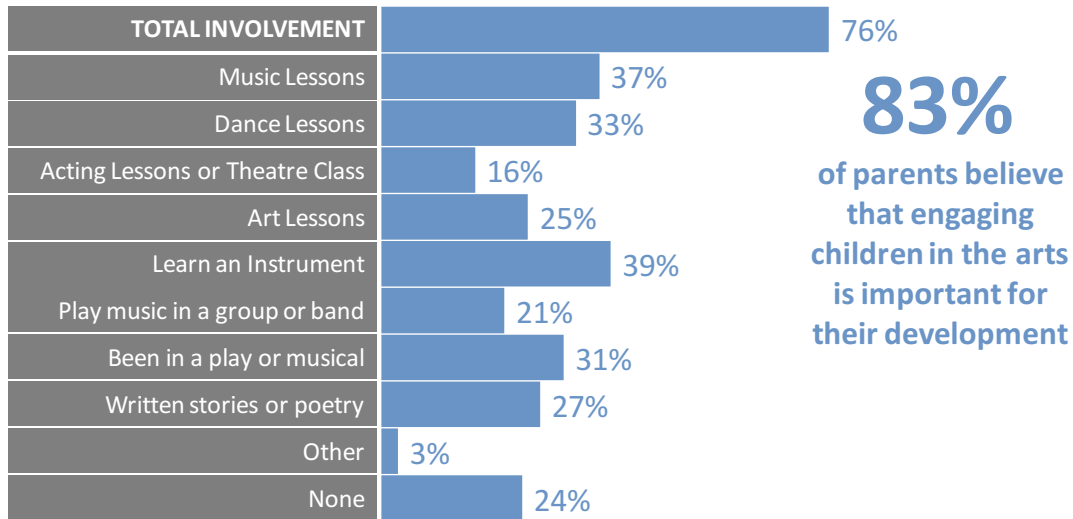
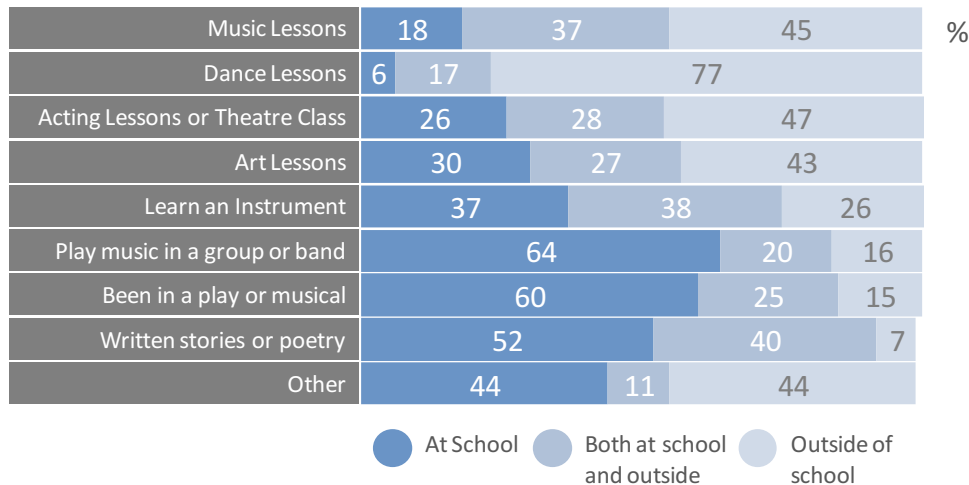


FIGURE 4: WHERE CHILDREN'S ARTS ACTIVITIES ARE UNDERTAKEN



The evidence for the view that the arts are viewed as important for a child’s development comes from the fact that a significant majority (83%) of parents agree with the statement, “Engaging children in arts activities is important for their overall development.” In addition, 87% of parents agree that “the arts help children be more expressive” and 84% agree that engaging children in the arts helps them be more creative and outgoing. By contrast, very few parents reject the idea of children’s involvement with the arts. In all, 22% agree (of whom 9% do so strongly) with the statement “I prefer my child to play a sport than engage in arts activities” and 20% agree (of whom 6% do so strongly) that “the arts are for children who can’t play sports well”.



TABLE 8: PARENTAL VIEWS OF CHILDREN AND THE ARTS

	Agree	Strongly Agree
	%	%
The arts help children be more expressive	87	39
Engaging children in the arts helps them be more creative and expressive	84	34
Engaging children in arts activities is important or their overall development	83	39
Engaging in the arts gives children more confidence	81	33
The arts help children develop a better understanding of themselves and others	75	31
I prefer my child to play a sport than engage in arts activities	22	9
The arts are mostly for children who can't play sports well	20	6

4. Donating

Donating is another way in which individuals express engagement. In all, two thirds (68%) report donating to a charitable organization in the last year. Health care/hospital related donating (68%) is the most frequently cited by donors and followed by social service organizations (32%). By comparison, nearly one-in-five (19%) report making donations to arts and cultural causes of donors (representing 13% of the population) and is only slightly below donations made to environmental/wildlife charities (21%) and international organizations (17%).

Donating is very much age-related, with the proportion of Canadians donating increasing steadily with age. However, while donating to health-related charities is also to some degree age related, many under 35 years report donating to a health or hospital charity. By contrast, age does appear to be a driver when it comes to making donations to arts and culture causes, with those less than 35 years being much less likely than other, older age groups to make donations of this type. In fact, those under 35 years of age are five times more likely to donate to a health related charity than they are to an arts related one (while among those over 35 years of age the ratio is three-to-one). And yet arts engagement in terms of reported attendance and visiting seems as strong among younger people as their older counterparts. This is a significant problem in terms of the funding of arts and cultural organizations and needs further exploration.

TABLE 9: PATTERNS OF DONATING AND AGE

	TOTAL	18-24	25-34	35-44	45-54	55-64	65+
n=	1514	113	378	188	284	304	247
	%	%	%	%	%	%	%
Donating	68	47	57	63	71	80	80
Type of Charity							
n=	1028	53	215	118	203	242	197
Health/hospitals	64	53	58	53	65	68	75
Social service	32	30	31	31	31	32	36
Arts/culture	19	6	12	20	21	22	22

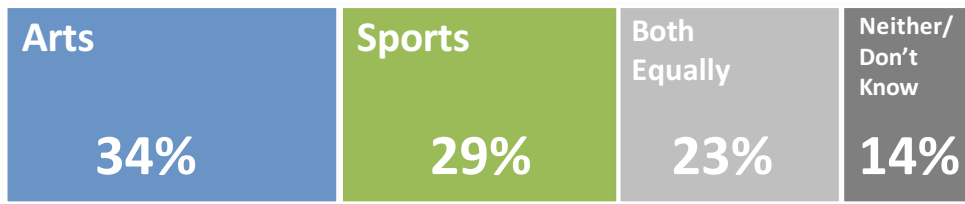


D. Arts and Sports

1. Gender Differences Revisited

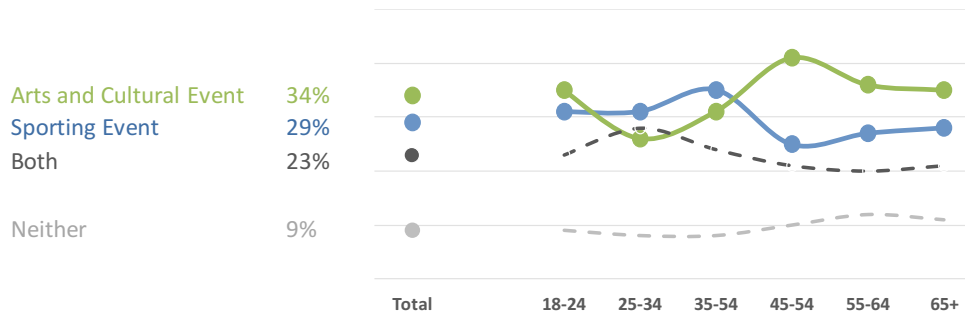
When asked directly if they prefer to attend a sporting event or an arts and cultural event, 34% of the public said they preferred to attend an arts and cultural event, 29% said they preferred to attend a sporting event and a quarter (23%) said they had no preference (23%); the balance (9%) said they preferred neither option. This suggests that in terms of business support, the arts are a legitimate alternative for consideration.

FIGURE 5: TYPE OF EVENT PREFER TO ATTEND



While preference for sports or arts does not vary much by age, gender is a very significant factor. Among men, 40% prefer sports while 22% prefer the arts - a gap of 18%. Among women, the reverse is the true: 45% prefer arts and 18% sports, a difference of 27%. In other words, more men prefer arts than women prefer sports. However, the male preference for sports constitutes a continuing and significant challenge in terms of sustaining and enhancing interest in arts and cultural activities, with one half the population being less engaged attitudinally, if not in terms of presence (as noted in terms of reported attendance) than the other half.

FIGURE 6: EVENT PREFERENCE



This finding was confirmed earlier in this report, although less dramatically, in preferred leisure time activities, but which still showed significant differences by gender with regard to sports and arts preferences.

Finally, on this same issue, the arts compare well with sports across the country, but the preference for the arts over sports is especially strong in Quebec (48% to 22%, respectively). In the rest of the country, the two are more evenly matched (31% for sport, 29% for the arts, 24% both and 14% for neither or don't know).



2. Key Attributes for Living a Life

In order to better understand some of the values and attributes associated with the arts and to distinguish them from sports and indicate the unique and important attributes that the arts reflect, respondents were asked to select from a list of 15 attributes the three that are most important in their life (see graph below).

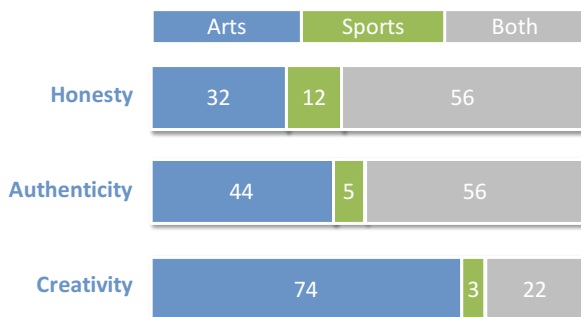
Honesty (69%) was the most frequently cited, and by a wide margin. The attributes identified by at least one-in-five (20%) members of the public include: confidence (36%) authenticity (30%) passion (26%) creativity (22%) determination (21%) and teamwork (20%). Of interest is the fact that among Quebec residents, authenticity is more frequently cited as an important value than in the rest of the country (48% compared to 27%, respectively). Similarly, self-actualization, which only 14 % cited as one of their top three values, is again more highly valued by people in Quebec than by those who reside elsewhere in Canada (26% vs. 10%, respectively). Other differences by region are not meaningful or statistically significant

FIGURE 7: IMPORTANT ATTRIBUTES IN CANADIANS' LIVES



Further, when asked for each attribute whether they most associated it with sports or the arts, clear differences across many of the attributes are identified. Of the attributes identified as important to the public, three of them - honesty, authenticity and creativity - tend to be associated more with arts and culture than with sports. Interestingly, while Quebec residents were more likely than residents in other parts of the country to identify authenticity as a value, those outside Quebec are more likely than Quebec residents to associate authenticity with the arts (47% to 37%) than with sports.

FIGURE 8: ASSOCIATION OF SELECTED ATTRIBUTES WITH SPORTS OR ARTS AND CULTURE





One important implication of these findings is that the attributes that are most associated with the arts relate to the attributes required of the new generation of business leadership. Much has been made in the business media and by business writers, in general, of the need for a new type leadership to deal with the multiple challenges that business and society face in the 21st century. This leadership type is typically described as collaborative and transformational, and one that recognizes the centrality of “people in the business equation.” This new breed of business leader is seen to value honesty and authenticity and to focus on the personal growth of the people being led which includes emotional, intellectual and psychological elements⁵. This point was also made by a number of the participants to the Toronto roundtable hosted by BftA and devoted to Making a Case for the Arts.

This desire for authenticity is also seen in our survey of the public; the arts are associated with this attribute and the ability to cultivate this attribute. This suggests that linking the arts to authenticity and then linking it to the new type of business leadership will assist in making a stronger case for business support for the arts.

The fact that the arts are associated with the attributes of honesty, authenticity and creativity may also explain, in part, the greater interest in the arts among women relative to men. Women tend to place more importance on some of these attributes compared to men. For example, of the key attributes cited above, women are more likely than men to make them one of their top choices:

- Honesty (women 73% and men 68%)
- Authenticity (women 33% and men 27%)
- Creativity (women 26% and men 18%)

The implication here is that part of the reason women are more drawn to the arts than men is that they place more value on the type the attributes most associated with the arts. While this conclusion has no doubt some explanatory power, the differences are not great enough for this to be the whole explanation. With this caveat in mind, the emphasis should be on trying to better understanding how to more strongly engage men in arts and cultural activity.

E. Supporting the Arts

1. Identification of Key Reasons for Supporting the Arts

In building a case for business support of the arts, identifying the factors that are important reasons for supporting the arts is a key step. In particular, identifying those reasons that the public supports will help to build a stronger case for business and a rationale for business support. As part of this process, a series of statements were tested. In order to take full advantage of the growing literature on the impact of the intrinsic and extrinsic benefits of arts engagement some statements were developed to express (and test) some findings from this body of literature and were included in the battery. From a series of 15 reasons for

⁵ A Review of Research Related to the Benefits of Arts Engagement. Presented to Business for the Arts by The Strategic Counsel, 2014.



supporting the arts, which dealt with societal as well as intrinsic values, a number of key factors were identified:

TABLE 10: REASONS FOR SUPPORTING THE ARTS

	Very/ Somewhat Good Reason	Very Good Reason	Very Good Reason	
			Male	Female
n=	1514	1514	760	752
	%	%	%	%
The arts enhance creativity and innovation	86	58	52	64
Arts education can assist children at risk in channeling their energies in a more productive direction	84	56	49	64
Arts education assists in the emotional and intellectual development of children	85	56	49	63
The arts help people understand other cultures	82	52	48	56
The arts can contribute to personal well being	81	49	41	57
Communities with an active arts scene tend to be vibrant places to live and work	77	45	40	51
Arts activities help reduce youth alienation and crime	75	45	38	52
The arts can deepen emotional experience	75	44	39	49
Participation in the arts can lead to enhanced self awareness	77	42	37	47
The arts promote understanding and tolerance	70	40	35	45
The arts contribute to deepening personal awareness	72	38	33	42
The arts have the potential to contribute to the economic well being of the community	71	38	34	42
The arts contribute to a better understanding of life	68	37	33	42
The arts contribute to shifts in perception	67	33	29	37
The arts can assist in the search for meaning	64	31	29	34

The reasons for supporting the arts that resonate most with the public deal with intrinsic, personal factors (enhancing creativity, personal well-being), children (children/youth at risk, emotional and intellectual development of children) and broader societal issues (understanding other cultures, contributing to vibrant communities). Each of these rationales makes a compelling case, from the public’s point of view, for supporting the arts.

Also of interest are the differences between men and women on many of these factors. Findings indicate that women are far more responsive than men to the types of arguments expressed in the above statements, confirming earlier findings which pointed to the stronger connection that women have to the arts than men.

This research has identified a number of factors that for the public generally see as good reasons to support the arts, including improvement to well-being. Further, given that that members of the public, as noted above, are more likely to donate to health and social services than to the arts, making a link between the arts and health and well-being outcomes (as well as links to arts and assisting disadvantaged youth) is vitally important. This link has been heavily promoted in the United Kingdom with numerous organizations (arts, health care and social service) bridging between the arts and well-being and integrating arts into health care



and social services programs and service delivery. Further, this linkage also helps build a stronger case for business support in terms of linking the arts to health care and social services.

2. Believability of Key Reasons for Supporting the Arts

Fortunately, Canadians appear to need little convincing that arts and cultural engagement can have the beneficial effects that research is now demonstrating. Among the findings, three quarters or more believe (at least somewhat) that:

- the arts improve health
- the arts contribute to personal well-being
- arts education can assist children at risk
- the arts improve the lives of underserved kids

TABLE 11: BELIEVABILITY OF STATEMENTS ABOUT THE IMPACT OF THE ARTS

STATEMENTS ABOUT THE IMPACT OF THE ARTS Involvement in the arts:	Very Believable	Very/ Somewhat Believable	Attend 4+	Donate to Arts
	%	%	%	%
Assists in improving creativity	53	89	74	75
Has a positive impact on health and well-being	35	80	54	54
Improves children’s academic performance	31	80	50	54
Helps children from disadvantaged communities succeed	29	78	48	52
Makes for more integrated and healthier communities	29	75	48	56
Creates greater empathy and understanding	25	74	42	46

The implication here, and this is important, is that there is an overall positive disposition and willingness on the part of a majority of the public to embrace the idea of the beneficial effects of the arts and especially on children, well-being and the community and this is especially the case among those already engaged with the arts. This means that there are few barriers from the public perspective to arts organizations forming closer links with the health care and social service sector and finding ways to more closely integrate the arts into these sectors. Further, it is also likely that businesses would be interested in funding these kinds of initiatives.

There is also evidence that this type of information can have an impact on support for the arts. In all, 42% of the public say that this type of information makes them more interested in supporting the arts. Further, even among those with limited exposure to the arts, 25% say they are more interested in supporting the arts now than they were prior to taking the survey. Not surprisingly, but no less significant, among those already donating to the arts, 72% say they are now more interested.

F. Perceptions of Business and Government Support of the Arts

Both business and government are seen to have important roles to play in supporting the arts. In the case of public views on business support, almost two thirds agree that businesses have an important role to play in supporting the arts. The consequences of taking a more active role in supporting the arts are deeply



significant with fully half of the public saying they would have a more favourable attitude toward those businesses that support the arts. Moreover, if that support is directed toward greater accessibility of the arts then that will be furthering an important public goal.

TABLE 12: PUBLIC PERCEPTIONS OF BUSINESS AND GOVERNMENT SUPPORT OF THE ARTS

	Agree	Strongly Agree
	%	%
PUBLIC VIEWS ON BUSINESS SUPPORT		
Businesses have an important role to play in supporting community organizations	72	26
Businesses have an important role to play in supporting the arts	63	16
If I know a business supports arts and cultural activities I feel more favourable to them	52	16
It is up to audiences to support the arts and not business	32	8
PUBLIC VIEWS ON GOVERNMENT SUPPORT		
Government has a responsibility to support the arts	64	25
Knowing that governments support the arts gives them more legitimacy	48	13
Arts and cultural organizations should survive on their own without government Funding	28	8
It is up to government to support the arts not business	26	5
ACCESSIBILITY		
Helping make the arts more accessible for all is important	71	30

It is also clear that the public sees an important role for government in supporting the arts. Indeed, very few believe arts organizations should survive on their own without government support. By contrast, almost two thirds believe government has a responsibility to support the arts and nearly half (48%) believe that such support gives the arts more legitimacy.



IV. Business Views



Business Views

A. Introduction

In building a stronger case for business support for the arts it is, of course, essential to seek input from businesses. This has been done in two ways. The first approach is through surveys of businesses and exploring their support for arts organizations and what factors might encourage greater support. The second is through analysis of the CADAC data base that provides details of business support for those arts organizations that seek operating funding from one or more of public arts funders. This provides insight into the value of business support, at least for arts organizations seeking operating funding from the public arts funders, and this represents a significant number of organizations (1,500 in all, including many major Canadian arts organizations). The CADAC data base also allows us to analyze business support across time and relative to government support for the arts and to make comparisons. The third approach is through roundtable discussions with those in the business community who support arts organizations and seeking their advice and response to the surveys and the CADAC findings.

Two separate surveys of businesses were undertaken and the results are analysed in this report. One is of small and mid-size businesses with revenues of up to \$50 million with at least one staff. We sought to avoid surveying small office/home office (SOHO) operations. This survey resulted in 239 interviews being completed by telephone, typically with the individual most responsible for donations and or sponsorship decisions. In small and medium sized businesses this is often the same individual. This was a random sample from a national data base of small and mid-sized businesses provided by Dunn and Bradstreet. The interest in this group of businesses stems from the fact that little research had been undertaken among this group regarding their engagement with the not-for-profit sector and especially the arts and cultural sector. The survey of small and medium sized business defined small as those with less than \$5 million in annual revenues and medium as having annual revenues of over \$5 million but less than \$50 million. In all, 150 interviews were completed with small businesses and 89 with medium sized businesses. All regions of the country were included in the survey.

The other survey was of larger businesses with annual revenues of \$50 million or more. This survey was undertaken online and the data base of businesses has come from two sources. The first consists of those who have a relationship with Business for the Arts and this consists of 17 businesses that completed a survey emailed to them. The second is from an online panel maintained by Asking Canadians and consists of their panel members who work for companies with revenues of \$50 million or more and are senior executives with a marketing or finance function. This avenue yielded a further 40 completed interviews. Given that this part of the research was very much a pilot study we have decided to merge the two sets of findings as there is no real way to estimate how to weigh the data to take into account any differences between the two samples. In all, the final sample size for larger businesses is 57 cases. Surveying for this part of the study was only conducted in English and therefore large Quebec businesses were not surveyed. Given this small sample size, differences within this group will not be a focus and the total response, with occasional exceptions, will be cited throughout.



Wherever possible, comparisons between small and mid-sized and larger business will be made.

The overall objective of this phase of the research was to undertake the first tentative survey of businesses engagement with arts and cultural organizations and better explore a variety of issues, including:

- Proportion of businesses that support arts and cultural organizations and their reasons for doing so;
- Identification of factors that would encourage greater support of arts and cultural organizations;
- Exploration of factors that will assist in building a stronger case for business support of the arts; and
- Extent that businesses measure the impact of their support for arts and cultural organizations and how they measure this impact.

This part of the report is divided into two sections. The first part presents an analysis of the CADAC data base and reports on the extent of business and government support for the arts across time. This is followed by an analysis of the results of the two surveys.

B. CADAC Data Analysis

Corporate contributions to the 1,500 or so arts organizations who seek operating grants from public arts funders increased by 49% from 2008 to 2014⁶. At the same time, public sector funding increased by 15% and total arts organizations' revenues increased by 20%. However, some of this increase is a result of the number of arts organizations reporting funding information to the CADAC data base. This varies somewhat by year, but overall growth went from 1,225 organizations reporting in 2008 to 1,473 reporting in 2014, for a 20% increase.

FIGURE 9: SELECTED REVENUE CONTRIBUTIONS TO ARTS ORGANIZATIONS



Source: This analysis is based on data from CADAC (Canadian Arts Database/Données sur les arts au Canada) as compiled by the Research and Evaluation Section of the Canada Council for the Arts.

⁶ Canada Council for the Arts, 2014.

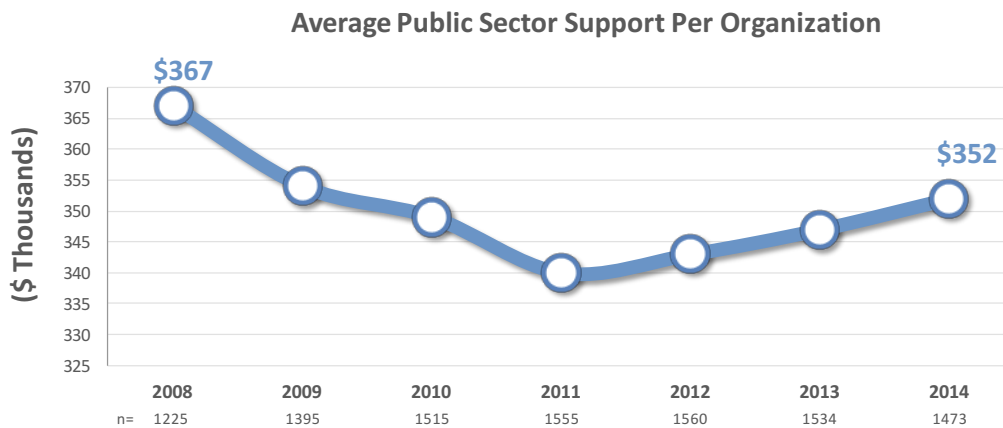


* Excluding In-Kind

Source: This analysis is based on data from CADAC (Canadian Arts Database/Données sur les arts au Canada) as compiled by the Research and Evaluation Section of the Canada Council for the Arts.

In order to take into account the variation in the number of organizations reporting, it is necessary to look at the average level of support per arts organization seeking operating funds. Between 2008 and 2014, the average (median) amount the corporate sector gave to each arts organization increased from \$56,000 to \$69,000, a 23% increase over six years. By comparison the average amount received from all levels of government by arts organization seeking operating grants declined over the same time period from \$367,000 to \$352,000 per organization. This represents a decline of four percent.

FIGURE 10: SELECTED REVENUE CONTRIBUTIONS TO ARTS ORGANIZATIONS

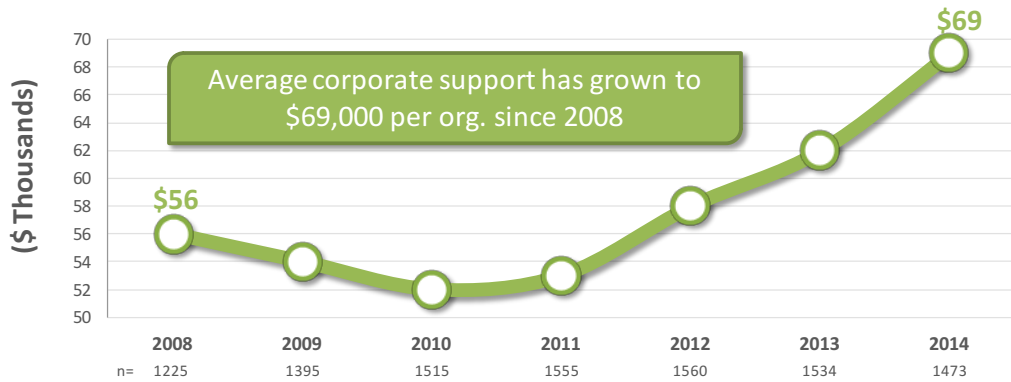


* Excluding In-Kind

Source: This analysis is based on data from CADAC (Canadian Arts Database/Données sur les arts au Canada) as compiled by the Research and Evaluation Section of the Canada Council for the Arts.



Average Corporate Support Per Organization*



* Excluding In-Kind

Source: This analysis is based on data from CADAC (Canadian Arts Database/Données sur les arts au Canada) as compiled by the Research and Evaluation Section of the Canada Council for the Arts.

An obvious issue is the extent to which the increase in corporate support was a response to a decline in government support. The analysis of the survey results suggests that this was not the case. While it is not possible to identify with absolute certainty the factors leading to increased business support, it is clear that this support has arrived at an opportune time given government cutbacks in this area. Further, given the uncertainty over the direction of government support, encouraging and enhancing corporate support is important. And this includes developing new and convincing rationales for enhancing corporate support.

In terms of the form of support, most of the support from the corporate sector to arts organizations is in the form of sponsorships of some kind (in 2014 this made up 58% of all support compared with 13% for corporate donations). This type of support has remained fairly stable over the last few years.

A further reason that the increase in corporate support has come at an opportune time, is that the CADAC data base also shows that individual donations (not including fund raising events) have remained unchanged between 2008 to 2014, at an annual average (median) amount per arts organization of \$67,000.

C. What Surveys Tell Us about Business Support for the Arts

1. Level of Support for Arts and Culture

The 2008 Imagine study of corporate investing showed that 71% of companies with annual revenues of \$25 million or more invest in the arts, funneling 13% of their giving portfolio to the arts⁷. However, among all business, just 30% contributed to arts and cultural organizations. The implication here is that businesses with annual revenues under \$25 million are far less likely to donate to the arts and less than a third, in fact, do so. Our own research among small and medium sized businesses supports this general view. Among small and medium sized businesses, 87% reported that they made donations or were involved with sponsorships in the last three years and 39% said they supported arts and cultural organizations. However, medium sized businesses were more likely than small ones to cite support of arts and cultural organizations.

⁷ Corporate Community Investment Practices, Motivations and Challenges: Findings from the Canada Survey of Business Contributions to Community, Imagine Canada, 2009.



Not surprisingly, perhaps, larger businesses were the most likely to cite support of some kind. Among larger businesses, 91% reported making donations of some kind, of which 53% were donations to the arts.

TABLE 13: PROPORTION OF BUSINESSES SUPPORTING THE ARTS BY SIZE

	Small	Medium	Large
	%	%	%
Arts and cultural organizations	35	48	53

At the same time, health related institutions were easily the most supported among small and medium business with 62% citing support of this sector, closely followed by social services (54%) and sports (52%). Among larger businesses, however, social services are more frequently cited (58%) and sports much less so (30%). This may be a function of the sample which is somewhat skewed toward Business for the Arts related organizations.

Businesses supporting arts and cultural organizations reported somewhat different patterns of support based on their size. Small businesses tended to either make a donation or be involved in a sponsorship, but as the size of business increased the tendency to do both also increased. The present research made no attempt to collect the amounts donated for arts and cultural organizations but this will be an issue surveyed in later iterations of this research program.

TABLE 14: TYPE OF ARTS/CULTURAL SUPPORT BY SIZE OF BUSINESS

	Small	Medium	Large
	%	%	%
Donation/gift in kind	64	73	90
Sponsorship	43	54	80

We did, however, collect information on the amounts donated and given in sponsorships and findings indicate that the value of donations exceeds that of sponsorships. This data also shows that small businesses give very little in terms of both donations and sponsorships. This suggests that only the smallest, perhaps community-based arts organization would target them for a donation or sponsorship. However, every community has countless small businesses and research shows that these businesses *do* in fact donate. If an effective and collective way could be developed to solicit large numbers of small businesses in an efficient way, then this could be one way that local community based arts organizations could be funded.

TABLE 15: VALUE OF SUPPORT BY SIZE OF BUSINESS

	Small	Medium	Large
Donation/gift in kind	\$1,500	\$10,000	\$875,000
Sponsorship	\$1,100	\$9,500	\$550,000



By contrast, medium sized businesses do donate a reasonable amount and once again every community has these types of businesses. If efficient ways of fund raising among them could be developed, then this is another avenue for funding local arts and cultural organizations. Moreover, many of them already appear to support local arts and cultural organizations.

2. Motivation for Donating

Among all three sizes of businesses, the prime motive for donating is the impact the donation might have on the community rather than on the business.

TABLE 16: PERCEIVED IMPORTANCE OF DONATION/SPONSORSHIP ON THE BUSINESS AND ON THE COMMUNITY

	DONATION			SPONSOR
	Small	Medium	Large	Large
(percent saying “very important”)	%	%	%	%
Your business	26	29	32	49
Your community	65	78	81	62

In the case of sponsorships (and note that this question was only asked of large businesses) the evaluation is more complicated. While on the one hand, the impact of their sponsorship on their business is more likely to be characterized as important compared to the impact of their donations on their business, the opposite is true when it comes to the impact of their sponsorship on the community, with fewer large businesses characterizing that impact as either important or very important compared to the impact of their donations on the community (62% vs. 81%, respectively).

3. Activities in Support of Employees

Businesses vary greatly in the extent to which they support the volunteer and charitable interests of their staff. This does not appear to be just a factor of size, although smaller businesses are far less engaged with this issue than mid-sized or larger businesses. Rather, larger businesses appear to support more volunteer activities and provide grants where employees volunteer than other types of businesses. Given that most businesses have some type of program in place for supporting the charitable/volunteer activities of their employees, arts organizations would do well to take full advantage of these programs in building relationships with companies through their employees. As noted in the general public section and in a later section of in this report, many among the public, most of whom work, including the executives surveyed for the businesses survey, are engaged with the arts in some way. This engagement provides an opportunity to link with their place of work and build relationships. Programs developed by arts organizations could be directed at building just these kinds of relationships.



TABLE 17: ACTIVITIES IN SUPPORT OF EMPLOYEES BY SIZE

	Small	Medium	Large
	%	%	%
Support favourite charities of employees	48	71	49
Promote staff volunteer activities	27	61	65
Offer release time for volunteer service	30	47	35
Provide loan of executives	29	36	32
Provide grants where employees volunteer	19	38	42
Other	3	10	2
None of these	35	10	4

4. Reasons for Non Support of Arts and Cultural Organizations (small and medium businesses)

In all, 65% of small and 52% of medium sized businesses do not support arts or cultural organizations. When reasons for this are explored a number of interesting factors emerge. A number of these deal with a lack of benefit, interest or connection with the arts. However, the most frequent responses are that there are more important sectors to donate to. In the case of small businesses, the second most frequently cited reason was simply that the company has never been asked.

TABLE 18: REASONS FOR NON ARTS SUPPORT

	Small	Medium
	%	%
More important areas to donate to	67	81
Never been asked	61	43
Lack of perceived business benefit	39	48
Not our target market	32	28
No perceived need	31	29
Lack of interest in the arts	32	25
Don't know how to start	29	18

The issue of the perceived lack of importance or relevance of the arts is a key factor here and this highlights, once again, why building a better case for supporting the arts is necessary and why building a case that shows the relevance of the arts and the benefit engagement provides is so important. In addition, the fact that so many organizations cite ‘not being asked’ as a reason for their non-support points up the need for arts organizations to reach out to smaller and medium sized businesses.

Returning to the point of being asked to contribute to the arts, when asked the question directly only a minority of small and medium sized, and half of large, businesses report being asked.

TABLE 19: PROPORTION EVER BEEN ASKED TO CONTRIBUTE TO THE ARTS

	Small	Medium	Large
	%	%	%
Yes	24	35	52



5. Personal Involvement

As with the public, business leaders are also involved in attending arts and cultural events and activities. In all, three quarters or more report being involved with this type of activity. In fact, when asked to estimate the number of activities attended in the last year, over 40%, across all sizes of business, report attending four or more. This suggests that there is the opportunity for engagement through activities in which many business leaders are already involved.

6. Reasons for Supporting the Arts (small and medium size businesses)

Small and medium sized businesses support the arts for a variety of reasons, but chief among them are the following:

- Arts and cultural activities make for a vibrant community and society - 93%;
- Arts organizations have education initiatives that benefit society – 88%;
- The arts improve the quality of life in the community – 88%;
- Involvement in the arts improve student’s academic performance – 84%;
- The arts provide entertainment and create conversation about important issues – 80%;
- Some of our employees are involved in or support arts and cultural activities – 80%;
- The arts are an economic engine of growth in the community – 74%;
- Our customers or clients asked our business to support the arts – 68%;
- We have an existing relationship with someone at an arts organization – 67%;
- Involvement with the arts helps us to grow our business and meet corporate objectives – 43%; and
- Our employees expect us to support arts and culture – 41%.

In reviewing responses from the small and medium sized businesses that support the arts, a number of conclusions can be drawn. First, support is not predicated upon meeting business objectives. Second, enhancing the quality of life of the community is important and there is recognition of the role of the arts in this process. Third, the linking of arts and education is important to small and medium sized businesses. Fourth, an existing relationship with an arts organization is also an important stimulus for support. Fifth, and finally, customers/clients asking on behalf of an arts organization can be of value in building support.

7. Reasons for Supporting the Arts (large businesses)

Many of these same themes emerge when large businesses (those that support the arts) were asked to indicate how important each factor was in their support.

- The arts improve the quality of life in the community - 83% important, 57% very important;
- Arts education has a positive effect on the lives of children and youth: 83% important, 43% very;
- Arts organizations have outreach programs that serve the disadvantages in the community: 80% important, 43% very;
- The arts make a significant contribution to the economy of a community: 80% important, 40% very;
- A company’s support of the arts enhances employee engagement: 80% important 40% very;



- Engagement with the arts contributes to personal well being: 80% important, 31% very;
- The arts encourage and stimulate creativity and innovation: 77% important, 37% very;
- An association with the arts is good for our corporate image: 70% important, 33% very;
- Support for the arts helps our business grow or meet corporate objectives: 80% important 7% very; and
- The arts contribute to emotional intelligence: 50% important, 20% very.

Once again, the role of the arts in enhancing the quality of life in the community is cited as vital in addition to the educational aspect of the arts. The role of the arts in assisting the disadvantaged in society as well as the role of the arts in enhancing personal well-being are also mentioned as factors in their support.

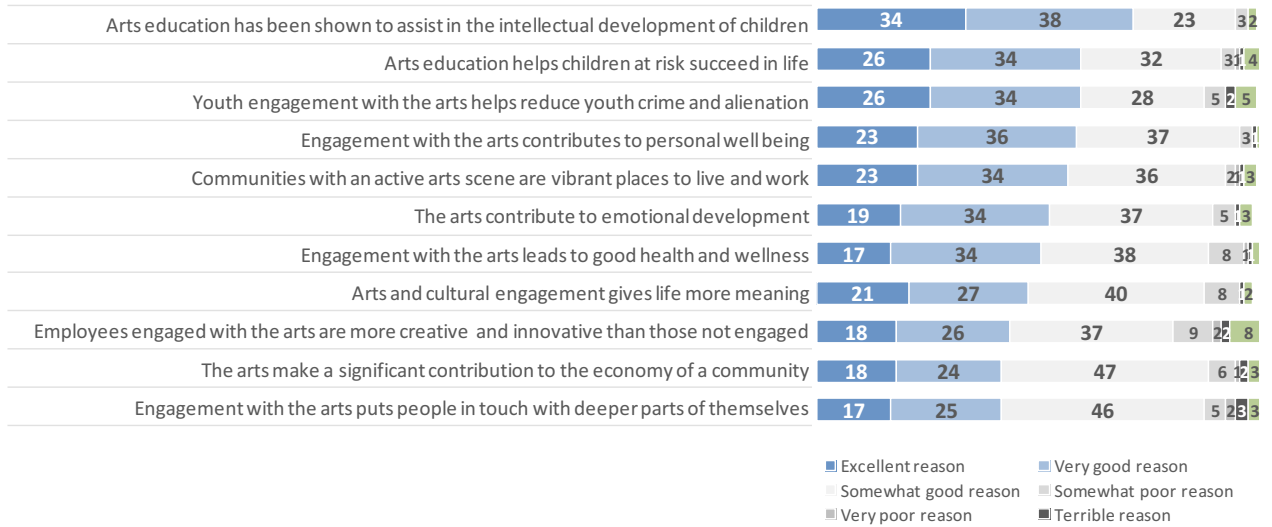
Facilitating employee engagement is also of some importance to large businesses in the decision to support the arts.

8. Exploring Reasons for Supporting the Arts (small and medium size businesses)

In order to broaden the scope to all small and medium size businesses, a series of rationales were put to respondents regarding how good or poor a reason each was for supporting the arts. Only the combined small and medium size business totals are shown below as there is little difference between the two groups. The important finding here is the value of the arts in assisting children and youth. This is followed by the importance of the arts in contributing to personal well-being, emotional development and health and wellness. The implication here is that, at least in terms of small and medium sized businesses, the rationale that the arts can have an important role to play in the development of children in general, and specifically with regards to assisting disadvantaged youth, and can assist in personal well-being and health and wellness suggests that these are important ways of thinking about the benefits of the arts and can contribute to a revitalized case for business support of the arts. Moreover, this belief is well grounded in countless studies that have demonstrated the value of the arts in just these areas. (For more information on these issues, please see the Literature Review attached to this Report.)



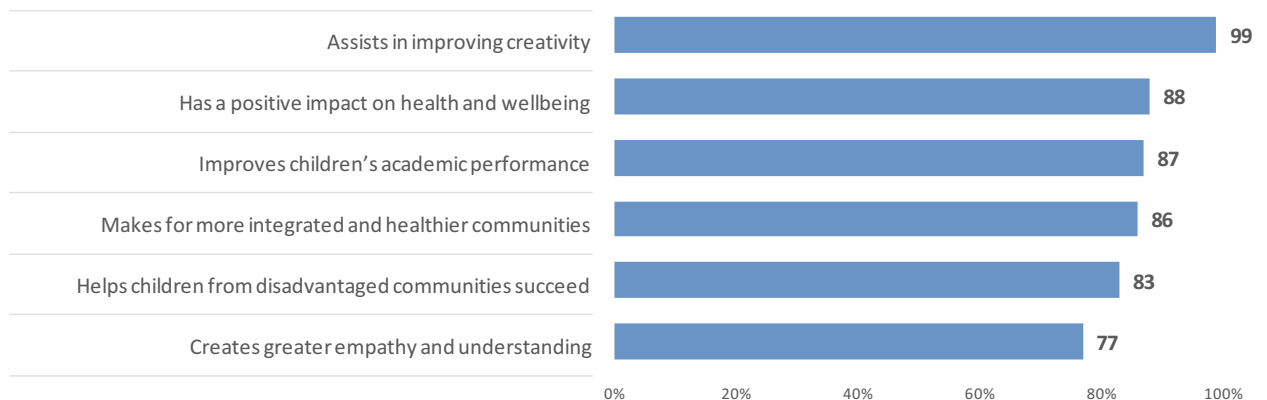
TABLE 20: RATING OF REASONS FOR SUPPORTING THE ARTS (small and medium businesses)



While small and medium size business executives believe that the role of arts in assisting in the development of children, supporting disadvantaged youth and contributing to well-being provide excellent to very good reasons for supporting the arts, the question remains of the extent to which they believe engagement with the arts can achieve these objectives.

And, in fact, just as among the public, the findings from the literature on the benefits of the arts are solidly embraced by small and medium size business executives. Upwards of eight-in-ten among both sizes of business believe the arts can produce benefits related to enhanced well-being, healthier communities, improvements to children’s academic performance and assisting young people from disadvantaged communities. The implication here is that these rationales could play a significant role in building a revitalized case for business support for arts.

TABLE 21: PERCEIVED IMPACT OF ENGAGEMENT WITH THE ARTS (SMALL AND MEDIUM BUSINESSES)





Furthermore, just as among the public, four-in-ten among small and medium sized businesses say that as a result of these findings they are more interested in supporting the arts. However, it is also the case that 8% of businesses question the findings and a further 44% say that, irrespective of these findings, they have no interest in supporting the arts. This response presents its own challenge. Clearly there are those executives in small and medium size businesses who embrace the arts. The challenge here is the extent to which they can be encouraged to be even *more* generous in their support. And the rationales cited above may help in this regard. However, there is an equally large group of businesses where there is little or no interest, irrespective of the rationales. The challenge for the next round of research will be to better understand the nature of this resistance and how this can be changed and redirected.

TABLE 22: RESPONSE TO THE BENEFITS OF COMMUNITY AND PERSONAL ENGAGEMENT WITH THE ARTS (small and medium businesses)

	%
I am more interested in supporting the arts that I was before	39
I actually find it hard to believe the arts can achieve the results claimed	8
I don't question the results achieved by engagement with the arts, but I am not interested in supporting arts	44

9. Encouraging Greater Support among Large Businesses

Turning now to larger businesses, there are a number of factors that could encourage greater support for the arts and these include any of the items shown in the table below.

TABLE 23: IDENTIFICATION OF FACTORS ENCOURAGING GREATER SUPPORT FOR THE ARTS (large businesses)

	%
If an arts organizations was active in providing arts education programs and outreach to the disadvantaged	50
If it was demonstrated that the arts can promote employee engagement	47
If it was demonstrated that engagement with the arts enhances the well-being of individuals and the community	40
If a direct impact on the company's bottom line could be shown	37
If we were offered a program that was tied in directly to the firm's Corporate mission	33
If the company's profitability improved	27
If our company could build a strong relationship an arts organizations Audiences/visitors	23

What is interesting about these responses is that the ones receiving the most support have nothing to do with the functioning of the business, with the exception of employee engagement. Instead, helping the disadvantaged through arts education programs and enhancing personal and community well-being are cited. This is not to say that business objectives are not important, since they clearly are. As noted, the role the arts might play in more effectively engaging employees is potentially an important factor that could enhance and add value to the benefits of a corporate relationship. Further, finding new ways to assist businesses in meeting their objectives also appears to be an option for increasing corporate support.



Another way of exploring this issue is through a series of agree/disagree statements about the benefits of the arts. The interesting point to note here is that even though the sample is very small, the differences between the Business for the Arts companies and other businesses is quite dramatic and suggests that this particular sub-sample (those which already support the arts) have a different (though not unique) perspective on the arts compared to the total sample (which includes businesses that are already supportive of the arts but also those which are not).

TABLE 24: STATEMENTS ABOUT THE BENEFITS OF THE ARTS (large businesses)

	Agreement		Strongly Agree	
	Strongly/ Somewhat	Strongly	Non BfA	BfA
	%	%	%	%
The arts can stimulate creative thinking and problem solving	89	49	39	59
The arts can enhance emotional intelligence	86	32	28	41
The arts can contribute to tolerance and the acceptance of diversity	82	39	33	53
The arts can enhance health and well-being	86	44	33	71
Support of the arts can enhance a company brand	70	26	25	29
Support of the arts can help to recruit and retain employees	51	14	10	24

While there is widespread agreement on many of these perspectives, and in fact those that deal with the personal benefits are supported by over eight-in-ten of all large companies, irrespective of whether they are BftA members or not. The two that deal with the impact on the company are more controversial, especially the suggestion that a company’s engagement with the arts will help it recruit and retain employees. While this point was strongly made at the Toronto Round table of BftA Toronto based member companies, this view is not widely shared among other large companies. Only 40% of this latter group agree with this point of view, compared with 76% among BftA member companies. This may well be a case of experience and the fact that BftA member companies, which are all heavily invested in supporting the arts, have found this to be the case. Other large businesses, those which are typically are not as invested, have less experience with this issue.

The other significant point regarding the benefits of the arts deals with the personal benefits. As noted above, there appears to be little disagreement that arts engagement can have an impact on things like tolerance, well-being, creativity and even emotional intelligence. However, the level of strong agreement among non-BftA company executives is far weaker than among BftA company executives. This suggests that, while these benefits have a ring of truth to them and can be effective, it is likely that communicating the research regarding the community and personal benefits of arts engagement will be required as part of developing the case for enhanced business involvement with the arts.



10. Government Support of the Arts

Businesses of all sizes believe government support of the arts is important.

TABLE 25: PERCEIVED IMPORTANCE OF GOVERNMENT SUPPORT FOR THE ARTS BY SIZE

	Small	Medium	Large
	%	%	%
Important	90	92	100
Very	50	45	50

While there is an acknowledgement that government support of the arts is important, among those businesses currently supporting the arts, this appears to have limited impact on whether or not a business supports the arts. Few are prepared to say that knowing this would increase the likelihood of their supporting a specific arts group, although this seems slightly more important as the size of the business increases.

TABLE 26: PERCEIVED IMPACT OF GOVERNMENT CUT BACKS ON BUSINESS SUPPORT FOR THE ARTS

	Small	Medium	Large
	%	%	%
Increase the likelihood of support	8	12	17
Have no impact	81	80	77
Decrease the likelihood of support	6	7	7

Among those businesses currently supporting arts organizations, there is little consensus on the future direction of government funding of the arts. However, a significant minority (34%) across all sizes of business expect funding to decrease.

If this were to occur, however, those already supporting the arts would not automatically step up their support in any significant way. Most say they would maintain their current level of support. Only among larger businesses is there any sense that support might increase among some businesses, but just as many indicate that they do or know how their company would respond.

TABLE 27: RESPONSE TO HYPOTHETICAL CUT BACK OF GOVERNMENT SUPPORT OF THE ARTS: BUSINESS WOULD:

	Small	Medium	Large
	%	%	%
Increase support	2	7	23
Maintain current level	90	85	53
Decrease support	-	-	-
Don't know	4	7	23

11. Business Giving Strategies to the Arts

Some businesses supporting the arts have a strategy for giving, but this is highly dependent upon size. This ranges from 21% among small business saying they have a strategy, to 47% among large business saying so. However, even among BftA member companies, only 53% say they have a strategy for arts giving.



When asked to describe their approach, in their own words, results tend to vary by the size of the business. Among small and medium sized businesses the most common responses are that the approach appears to be based on a sense of need or that an organization meets the requirements the business has set out. Among larger businesses, the requirement that the business is local or known to the organization appears to be very important. However, in reviewing responses, and this is true even for larger organizations, many are quite vague which suggests that in most instances there is no well thought-through approach.

TABLE 28: APPROACH TO SUPPORT FOR THE ARTS

	Small	Medium	Large
	%	%	%
Based on meeting requirement/request	33	49	5
Local community support/those we know	29	15	61
If worthwhile cause/something making a difference	13	15	10
Case by case/individual basis	8	22	9
Promotion/marketing/advertising/link to business	10	2	26

12. Measuring the Value of the Investment in the Arts (large businesses)

In most cases, the return on investment (ROI) is not as important a driver of decision making about investing in the arts as the social return on the investment (SROI). This response is consistent with findings reported above which also indicated that the impact of support for arts organizations on the business (ROI) was of secondary importance compared to the impact that support had on the community (SROI). Thus, while 68% of businesses say the ROI is important, 88% say the SROI is important. Moreover, just 22% describe the ROI as ‘very important’, which is less than half (46%) of the share who say the same about the SROI. Further, in most cases, neither the ROI (68%) nor the SROI (63%) is measured,

TABLE 29: IMPORTANCE OF ROI AND SROI IN INVESTING IN THE ARTS (Large businesses)

	ROI	SROI
	%	%
Important	68	88
Very	22	46
Measure the Impact?		
Yes	27	32
No	68	63
DK	5	5

While the sample size of those using metrics is too small for useful analysis, when those not using metrics are asked what ROI or SROI metrics would be useful, most large businesses either say they don’t know (44%) or don’t need to or want to do such measuring (36%).

Another, perhaps more fruitful, way of coming at this issue is to explore how large businesses supporting arts organizations measure the impact of their support. And, in fact, most indicated that this is something to which they do pay attention.



Large businesses supporting the arts appear to use a variety of measures to assess the impact of their support. Most of these appear to be business, and therefore ROI related, and range from improvements in brand reputation and the number of employees participating to social media and other forms of engagement with audiences or participants.

TABLE 30: MEASURING IMPACT OF SUPPORT (large businesses)

	%
Increasing improvements in our brand/reputation	47
The number of employees who participate	47
Press coverage/profile achieved through support	43
Depth of relationship can build with those at events	40
Making a difference in solving community problems	33
Numbers coming to on-site activations	30
Ability to reach audiences through social/digital media	30
Increasing sales of product/service	23
Don't measure impact	13

The one SROI measure cited deals with the impact on community problems and a third of large business supporting the arts indicate that they try to assess this impact. However, the fact that most businesses surveyed (those that already invest in the arts) say that the SROI is important and more so than the ROI, and yet there is little measurement of the SROI is puzzling. One potential explanation is that businesses have access to a wide variety of data relating to the health of the business. It is therefore relatively easy to access this data and presumably attempt to assess the impact of various initiatives. However, measuring the SROI of support for various arts related activities goes well beyond the data that most businesses have easily at hand. With this in mind, perhaps some thought should be given to working with engaged businesses (whether large, medium or small) regarding how to measure the impact of their arts investment from an SROI perspective.

The literature on the impact of arts engagement suggests that there are a wide variety of personal and community benefits. This research has suggested the potential for using some of these benefits to build a stronger case for support for the arts. And it suggests, moreover, that there would be a positive response for businesses to many of the benefits that an engagement with the arts can provide. But, in addition, this research also suggests that there is work to be done in determining what some of these SROI measures should look like. This obviously includes defining enhanced personal well-being, how to measure improvements as a result of arts education programs, how to measure community vitality, etc. Much of his work has already been undertaken, with the SROI as a general principle. It is now a question of bringing these concepts together and determining what is most useful for assessing the SROI of a specific arts investment. This approach would also help advance the case for enhanced business investment in the arts by demonstrating the impact of the arts in the community.



13. Business Involvement with Arts Organizations

Among those businesses supporting the arts, the number of arts organizations supported is, not surprisingly, a function of size. Small and medium sized business report that on average they support two to four organizations, while large businesses say between five and nine. In most cases over time, this tends to be the same organizations. Further, in most cases businesses of all sizes report being satisfied with the relationship with the arts organizations they support.

TABLE 31: LEVEL OF SATISFACTION WITH RELATIONSHIP WITH ARTS ORGANIZATIONS SUPPORTED

	Small	Medium	Large
	%	%	%
SATISFIED	94	95	96
Very	56	51	42
Somewhat	38	44	54

Few had suggestions for improving the relationship, and half across all sizes of business said the relationship was fine as it is.

But businesses were more forthcoming when asked to respond to a series of initiatives/suggestions for enhancing their relationship with arts organizations generally. For large businesses, the importance of working closely with arts organizations is clearly important and the emphasis is on this being a relationship in which there needs to be an understanding of each party’s needs. There is also interest across all sizes of businesses of using their involvement with arts organizations as a way of engaging with employees. Finally, among smaller and mid-sized businesses, greater recognition appears to be an issue.

TABLE 32: SUGGESTED ENHANCEMENTS TO RELATIONS WITH ARTS ORGANIZATIONS

	Small	Medium	Large
	%	%	%
If more arts organizations took the time to better understand what we hope to achieve through our support	n/a	n/a	47
If employees had better access to performances	40	44	n/a
If more arts organizations would relate to us as a partner	n/a	n/a	37
If more arts organizations would work more closely with us in reaching our employees	27	35	30
If arts organizations had larger audiences	36	40	20
If we received more visible recognition	37	34	23
If we could do more onsite activations	n/a	n/a	17
Nothing, fine as it is	33	33	23

(The list of options is somewhat different for the two surveys (small/medium and large) and this reflects the fact that they were developed at different times and with different input.)



D. Next Steps

As a pilot project designed to explore the issue of building a case for business support for the arts, this research has revealed that there is, in fact, a strong case to be made for this type of endeavor and from a variety of perspectives, including the variety and level of public engagement and the linkages that can be made between arts and well-being, disadvantaged youth, community vitality, etc. The next steps in this process will involve getting further feedback from the business community on the general themes developed in this report, actually developing a document that presents this case and, finally, testing this fully developed case in further discussions with the business community. Following that, the case can be launched and tracked over time in terms of awareness and response.