

**Manitoba Audio Recording Industry Association
Music is Working: an Economic Impact Analysis
of Manitoba's Music Industry for the Year 2004
Published November 2005**

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Introduction

What follows this page are numbers and findings about the Manitoba music industry that no one in Canada has seen before. They are surprising, they are accurate, and they are as current as they can be – but they will not stay that way for long.

We knew this project would break new ground when we promised a group of artists and industry providers that we would talk to hundreds of people in the Manitoba music industry and that they would tell us all we wanted to know. Some were skeptical of our proposed methodology. Still, MARIA supported our bid to use this “novel” way of collecting the dry information that is the dollars. *What did you make (and how?), and what did you spend (and where?)*. Telephone call after telephone call, we cajoled and convinced artists, business owners and craftspersons to gather their receipts, jog their memories, pull out their tax returns – and tell us. Somehow, we had to follow the money, so we called whenever *they* could talk: after the gig, before the session, between students. We knew that this study would be different when one of our first contacts left an after-hours message expressing his willingness to do the survey – in full-throated song.

In some previous economic impact studies, musicians were asked to report their financial lives by mail. Most of the surveys sent out (to a conjectural population sample) for self-reporting remained uncompleted for a variety of reasons, leaving a meager sample size. Other studies relied on a handful of appointed music experts to give their opinions on dollars made and spent – resulting in “best guesses” far short of the industry’s economic reality.

Our method entailed querying music-related activities so that we could assign everyone to a cohort – talent buyer, record producer, composer, or instrument dealer, to name a few – and making sure we surveyed enough from each to ensure real representation. Even those we never spoke to were counted, every time, once we confirmed their existence. That way, when it was time to calculate the numbers, we could be confident of the population size: a feat that makes this study unique in the industry as well as invaluable. Combining expertise in economic impact analyses with telephone survey methodology means this study avoids the shortcomings of past research, establishes a benchmark for future economic analyses of the music industry in Manitoba, and sets a standard for similar studies all across Canada.

What follows is a report that proves what Manitobans have always known: this is a place where great music happens, and where it still thrives. Reading these pages you will learn, as we have, that Manitoba needs and supports musicians of all ages and stripes; that generation after generation of teachers in their basements, their studios or their garages, pass on the wisdom of that chord, refrain, or vibrato; and that entrepreneurs with vision and energy continue to step up and take risks so that dreams can take flight in this wintry, warm-hearted province.

What this research does not, and cannot, tell us, is how much more vibrant things are now than they were. That Manitoba has a vibrant and diverse music industry is undeniable, but we do not yet have the data to know which way the trend is going. The Economic Impact Analysis of Manitoba’s Music Industry is necessarily a snapshot of a moving target. The next step is to build on this study as the research template not just for Manitoba’s music industry, but for Canada’s music industry also. We invite you to read on – and, in every sense of the words, stay tuned.

Katherine Devine
for the **kisquared** research team,

kisquared





Summary report

Background and methodology

- In December 2004, the Manitoba Audio Recording Industry Association engaged **kisquared** to conduct an economic impact study of Manitoba's music industry. Support for the study has been received from the Department of Canadian Heritage and the Manitoba Music and Motion Pictures Development Project, managed by Western Economic Diversification for the Province of Manitoba and the Government of Canada.
- Previous economic impact studies of the Manitoba music industry have fallen short, because they relied on mail-out surveys (notorious for low response rates, missing data, and unrepresentative respondent profiles), or interviews with *selected* industry informants (also unrepresentative). Furthermore, no provincial study undertaken to date has directly measured the population of participants in the music industry. Such studies' findings have significantly understated the actual economic impact of the music industry.
- **kisquared** developed the music industry contact lists for this study in consultation with MARIA and the steering committee, based on existing industry databases, organizational and guild membership lists, contact directories, and secondary research. In addition, "snowball" sampling was used throughout interviewing to elicit additional contacts, thereby increasing the total sample to achieve an accurate population count.
- **kisquared**, in consultation with MARIA and the steering committee, designed a comprehensive telephone questionnaire, which was subsequently validated through consultation sessions with artists and service providers.
- **kisquared** collected 446 complete surveys, comprising 127 artists (of an estimated population of 305), 111 music groups (of 207), and 208 service providers (of 570). The overall margin of error for the study is $\pm 2.73\%$ at the 95% confidence level ($\pm 3.40\%$ for artists and $\pm 4.32\%$ for service providers).

Terminology

- Some terms used in this summary may be unfamiliar to readers. Definitions (adapted from Manitoba Bureau of Statistics, *Manitoba Economic Multipliers*, 2004), are as follows:
 - **Labour income** means the sum of wages and salaries, supplementary labour income, and net income of unincorporated businesses.
 - **Direct leakage** means the portion of music industry expenditure that is spent *outside* of Manitoba.
 - **Indirect leakage** means the proportion of Manitoba-based purchases that flows to non-Manitoba suppliers. For example, although a mixing console may be purchased *in* Manitoba, a portion of the value of that mixing console flows *out* of Manitoba to its original equipment manufacturer.
 - **Direct effects** means the impact on firms that expand or reduce production in *direct* response to a change in demand.
 - **Indirect effects** means the ripple or "spin-off" effect of directly affected firms placing increased or decreased demands on their suppliers.

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- **Induced effects** are the result of consumer spending in the economy, which is a function of available labour income.

Size of the Manitoba music industry

- For the purposes of this study, the Manitoba music industry has been divided into two broad categories – artist and service provider. The counts provided in Figure 1 show the number of artists and service providers active in the Manitoba music industry today. They do **not** directly indicate **persons** employed within each industry category, but rather, numbers of **entities** (individuals, businesses or organizations) associated with each category.
- The category of “artists” includes solo artists, composers, and groups active in a range of music genres. “Service providers” include, among others, booking agencies and management; music instructors; record companies, distributors, and record producers; venues; talent buyers; and dealers in gear/instruments or P.A. and lighting equipment (sales and rentals).
- The number of people economically active in the Manitoba music industry is estimated at 3,235 full-time equivalent employees (FTEs). This has been calculated using employment data, group membership size, and industry counts.
- At 3,235 FTEs, the Manitoba music industry accounts for approximately .5% of the province's total labour force.

Figure 1 MANITOBA MUSIC INDUSTRY – COUNTS BY CATEGORY

Category	Sub-category	Count
Artists	Solo Artists	284
	Songwriters/Composers	21
	Groups	207
Service providers	Booking agencies and management	18
	Gear/Instruments/P.A./Lighting – sales and rentals	29
	Gear/Instruments – service	20
	Graphic artists	12
	Manufacturers	8
	Music instruction	227
	Music organizations	12
	Photographers	8
	Production companies	6
	Record companies and distributors	22
	Record producers	23
	Recording studios	26
	Talent buyers	57
	Venues	77
Other service providers	26	



Economic impact

Figure 2, shown below, presents a summary of the key economic indicators that are discussed throughout this *Executive Summary*.

Figure 2 MANITOBA MUSIC INDUSTRY: KEY ECONOMIC INDICATORS

Category		Artists	Service providers	Total
Size ¹	Units in industry	512	570	1,082
Revenues/ expenditures	Total revenues	\$17,192,902	\$90,615,144	\$107,880,046
	Total expenditures	\$15,179,817	\$125,829,331	\$141,009,148
	Total expenditures in Manitoba	\$13,272,788	\$94,351,295	\$107,624,083
	Direct salaries and wages	\$5,290,919	\$60,836,553	\$66,127,472
	On-payroll employment (FTEs)	386	2,313	2,699
Economic impact ²	GDP at market prices	\$12,175,262	\$112,948,283	\$125,123,545
	Government net revenues	\$858,091	\$5,932,068	\$6,790,159
	Manitoba labour income	\$9,382,425	\$90,679,233	\$100,061,659
	Employment (person-years)	512	3,216	3,727
Tax revenue estimates	GST, net remittances	\$12,981	\$2,311,860	\$2,323,948
	RST, based on reported revenues	\$92,127	\$1,143,866	\$1,235,993

Note: ¹For artists, this refers to the number of groups operating in Manitoba; for service providers, this is the number of businesses. ²Economic impact figures are Closed/Type II impacts, meaning that figures are the sum of direct, indirect and induced effects.

Overall

- Music industry expenditure totals \$141 million.
- \$108 million (76%) was spent in Manitoba, of which \$92.6 million stayed within the province, directly benefiting Manitoba suppliers.
- Artists tend to spend a larger proportion of their expenditures in Manitoba (87%, or \$13.3 million of \$15.2 million)
- Service providers spend a smaller proportion in-province (75%, or \$94.4 million out of \$125.8 million).

Impact on Manitoba GDP

- Spending in Manitoba produces both *direct* and *indirect* ("spin-off") effects that benefit the Manitoba economy. The sum of these effects constituted \$87.2 million of the province's \$40.2 billion GDP in 2004.
- With "induced effects" included, the total impact on GDP amounted to \$125.1 million of Manitoba's GDP in 2004.



Impact on labour income and employment

- The Manitoba music industry directly generated just over \$66 million in wages and salaries in 2004:
 - Service providers accounted for \$60.8 million
 - Artists accounted for \$5.3 million.
 - The largest generators of wages and salaries in the Manitoba music industry are venues, at \$25 million, or 38% of industry employment.
- *Direct* and *indirect* effects of music industry spending produce \$78.1 million in Manitoba labour income. When *induced* effects are included, the impact is \$100.1 million, representing 80% of the industry's positive impact on GDP.

Impact of one dollar of spending by the Manitoba music industry

- Each \$1 expenditure by the Manitoba music industry increases Manitoba's GDP by 89¢, when all economic effects are considered.
- The benefit of that \$1 expenditure in Manitoba labour income is 71¢. The number of jobs created by the industry is 26.4 person-years per \$1 million expenditure.
- On average, about 66¢ of every \$1 spent by the industry stays in Manitoba, the rest flowing out of the province through either direct or indirect leakage.

Tax revenue generated

- Slightly more than \$2.3 million in Goods and Services Tax (GST) revenue was generated this past year by the Manitoba music industry.
- Revenues from tax-eligible sales reported by artists and service providers suggest that approximately \$1.2 million in Retail Sales Tax (RST) was generated.
- Estimates of the amount of GST and RST generated will be conservative given that taxes on retail CD sales are not included. Additionally, music industry economic spin-offs, which are not factored into these tax calculations, will have generated additional tax income.

Industry revenues and expenditures

- Revenues received in 2004 by Manitoba artists and service providers were slightly more than \$107.8 million:
 - Service providers received \$90.6 million, or approximately 84% of total industry revenue.
 - Artists received \$17.2 million, or approximately 16% of total revenue.



- The largest share of music industry expenditures in Manitoba goes to salary and wages, at \$66.1 million; followed by industry-related outsourced professional services (\$37.6 million) and office and other business expenditures (\$27 million).
- Much smaller amounts were spent on equipment (\$6 million), and travel and transportation (\$4.3 million).

Artist revenue and expenditure: details

- Artist revenue from sales/performances and from music industry services constitutes \$11.3 million out of the \$17.2 million artists received in 2004, with industry funding (grants and government support) and loans/credit making up the remainder.
- For artists, the largest source of revenue by far is live performance fees (more than \$8.3 million). The next largest source of artist revenue is selling and distributing CDs/tapes/recordings, but at \$1.1 million, this is a fraction of live performance revenue.
- Artists also received more than \$468,000 in revenue from providing various services to other artists. Examples of these include: teaching music; engineering, producing, manufacturing, or distribution of sound recordings; and managing, booking and promoting another artist.
- Salaries/wages are the area of greatest expenditure for artists (\$5.3 million).
- Other artist expenditures (excluding salaries/wages) were allocated as follows:
 - \$3.6 million on outsourced professional services
 - \$2.2 million on office and other business expenditures
 - \$2.1 million on travel and transportation
 - \$2.0 million on equipment

Service provider revenue and expenditure: details

- Revenue *and* expenditure figures for service providers are higher than for artists across all categories. Service providers received over \$90.6 million in revenue in 2004.
- Manufacturing, renting, selling, repairing or servicing music instruments/accessories accounts for one-half of 2004's total service provider revenues (\$41.2 million).
- Service providers' expenditures on salaries and wages in 2004 were \$60.8 million (based on payroll data).
- Service providers report the following in other total expenditures:
 - \$33.9 million on outsourced professional services
 - \$19.5 million on office and other business expenses
 - \$3.9 million on equipment
 - \$2.9 million on expenditures that apply to venues only



- \$2.3 million on travel and transportation
- Contrary to the pattern evident elsewhere in both artist and service provider expenditures, 75% of service providers' spending on outsourced professional services went outside Manitoba, while 25% stayed in the province.

Sources of financing

- **Grants / government funding** – Manitoba artists and service providers benefit as a result of funds provided by a number of agencies. The Canadian Council for the Arts and the Manitoba Arts Council each provide about \$1.4 million, while the Winnipeg Arts Council, FACTOR, and Manitoba Film and Sound each provide about \$0.5 million. A number of other agencies, including VideoFact and PromoFact, Musicaction, and MARIA, are also important funders.
- Some 20% of artists received funding from grants or government sources and about 22% of service providers received such funding.
- **Loans / credit** – The music industry in Manitoba received nearly \$3.5 million overall in loans and credit in 2004. Unlike many of the findings reported elsewhere in this study, artists received a higher proportion (56%) of this financing than did service providers.
- Only 13% of artists surveyed reported receiving loans or credit. Most of those who did so obtained their funding from family, friends, or other private sources, who contributed 92% of the nearly \$2 million received.
- 11% of service providers surveyed reported receiving loans or credit in 2004. Again, the largest source of loans and credit (73%, or \$1.1 million) was family, friends, and other private sources.



Manitoba music industry profile and economic impact

The Manitoba music industry profile and economic impact findings presented here are meant not only to describe the characteristics of the industry in the province, but also to provide some “hard numbers” placing the Manitoba music industry in the context of the economy as a whole.

The industry profile begins with the size of the music industry in Manitoba, illustrating the numbers of artists and businesses active in the industry (including the size of music groups). It then discusses the economic impact of the Manitoba industry, including its impact on GDP, labour income, and employment.

Following the economic impact discussion, this section then shows direct employment in terms of full-time equivalent employees (FTEs) along with wages and salaries generated by the industry in the province. GST revenue generated by the industry is presented next.

Finally, this section shows how the industry can be broken out by genre of music. This shows which genres are largest/most active, and captures niches and sub-genres that characterize the diversity of artists in the province.



Size of the Manitoba music industry

Music industry activity

Figure 3 below provides a breakdown of the numbers of artists and service providers operating as part of the Manitoba music industry. The music industry in Manitoba is first divided into two broad categories of artist and service provider, then into descriptive sub-categories.

It is important to note that the counts provide in Figure 3 are **not** a direct reflection of **persons** employed within each industry category. Rather, the figures indicate numbers of businesses or organizations associated with that category.

Therefore, although the count of 284 in the sub-category of solo artists *does* correspond to 284 persons in that sub-category, the count of 227 in the service provider sub-category of music instruction signifies 227 entities providing music instruction, some of which are businesses or other organizations employing a number of individuals.

Figure 3 MANITOBA MUSIC INDUSTRY COUNTS BY CATEGORY

Category	Sub-category	Count
Artists	Solo Artists	284
	Composers	21
	Groups	207
Service providers	Booking agencies and management	18
	Gear/Instruments/P.A./Lighting – sales and rentals	29
	Gear/Instruments – service	20
	Graphic artists	12
	Manufacturers	8
	Music instruction	227
	Music organizations	12
	Photographers	8
	Production companies	6
	Record companies and distributors	22
	Record producers	23
	Recording studios	26
	Talent buyers	57
	Venues	77
	Other service providers	26
Total		1,082

Note: The figures in this table are not to be understood as reflecting FTE employment counts. The breakdown, when summed, does not equal the total due to rounding.



Group size

The following Figure 4 provides a breakdown of the Manitoba music industry by group size. Group artists (as distinct from solo artists) range in size from two to 65 members; however, the average group size is 5.3 members.

Figure 4 GROUP SIZE

Group make-up	Number of groups	Percent of artists
Solo artists	305	60%
2	17	3%
3	32	6%
4	84	17%
5	35	7%
6	11	2%
7	10	2%
8 or more	19	4%
Total	512	100%

Note: Percentage totals may not equal 100% due to rounding.

In total, Manitoba's 207 groups have an active membership of 1,092. Thus, the artist segment of Manitoba's music industry at present consists of some 1,397 roles for solo artists, composers, and group members.



Economic impact analysis

The breadth of data gathered in this study allows estimates to be made of the total impact of the Manitoba music industry on the province's economy. This report section describes and summarizes economic impact indicators generated from the current study. Additional information on the methodology used in calculating such results is provided in *Appendix A: Study parameters* to this report.

Terminology

Discussion of the indicators below uses terms that may be unfamiliar to some readers. These terms include the following (most definitions are adapted from Manitoba Bureau of Statistics, *Manitoba Economic Multipliers*, 2004):

- **GDP at Market Prices** is the term used for the total value of goods and services produced in the economy, including government sector revenue.
- **GDP at Basic Prices** differs from GDP at market prices in excluding direct taxes and subsidies and indirect taxes on products (such as sales taxes). It does, however, include net indirect taxes on production – i.e., taxes such as property and business taxes that are not levied on products directly but which are typically passed on to consumers in the pricing of those products.
- **Labour Income** is an important contributor to economic growth, and is a large component of GDP. Labour income represents the sum of wages and salaries, supplementary labour income, and net income of unincorporated businesses.
- **Direct leakage** is the portion of music industry expenditure that is spent outside of Manitoba. Capturing this data was an important part of this study's methodology, because provincial economic impact can only be calculated on Manitoba-based expenditures.
- **Indirect leakage** means the proportion of Manitoba-based purchases that flows to non-Manitoba suppliers. For example, although a mixing console may be purchased *in* Manitoba, a portion of the value of that mixing console flows *out* of Manitoba to its original equipment manufacturer.
- **Manitoba Supply Content** is the portion of Manitoba-based expenditures that is left over after the proportion lost due to indirect leakage is subtracted. This represents the expected proportion of purchases that are supplied by Manitoba industry.
- **Direct effects** refer to the impact on firms that expand or reduce production in response to a change in demand. In this study, the impact of the entire Manitoba music industry is estimated.
- **Indirect effects** refer to the ripple or "spin-off" effect of directly impacted firms placing increased or decreased demands on their suppliers. In this study, the spin-off for the entire Manitoba music industry is estimated.
- **Induced effects** are the result of consumer spending in the economy, which is a function of available labour income.
- **Total Open/Type I Impacts** are the sum of direct and indirect effects.



- **Total Closed/Type II Impacts** are the sum of direct, indirect, and induced effects.

Summary of economic impact

Figure 5, below, summarizes the impact of the Manitoba music industry on the province's economy in 2004. Total economic impact figures for the industry are provided, along with a breakdown by industry role (artists and service providers). These figures are discussed further under Figure 5 below. Economic impact calculations were made using multipliers provided by the Manitoba Bureau of Statistics in *Manitoba Economic Multipliers*, 2004. Further details are found in the Methodology portion of *Appendix A: Study parameters* to this report.

Figure 5 SUMMARY OF ECONOMIC IMPACT ON MANITOBA ECONOMY, 2004

Industry role	Artists	Service providers	Total	
Total expenditures	\$15,179,816	\$125,829,331	\$141,009,148	
Total expenditures in Manitoba	\$13,272,788	\$94,351,295	\$107,624,083	
Manitoba Supply Content	\$9,583,599	\$82,973,655	\$92,557,254	
Total Open/ Type I impacts (direct + indirect)	GDP at market prices	\$8,623,963	\$78,620,273	\$87,244,236
	GDP at basic prices	\$8,078,963	\$75,730,754	\$83,809,716
	Government net revenues	\$545,000	\$2,889,519	\$3,434,520
	Manitoba Labour Income	\$7,325,390	\$70,795,984	\$78,121,373
	Employment (person-years)	447	2,591	3,038
Total Closed/ Type II impacts (direct + indirect + induced)	GDP at market prices	\$12,175,262	\$112,948,283	\$125,123,545
	GDP at basic prices	\$11,317,171	\$107,016,215	\$118,333,386
	Government net revenues	\$858,091	\$5,932,068	\$6,790,159
	Manitoba labour income	\$9,382,425	\$90,679,233	\$100,061,659
	Employment (person-years)	512	3,216	3,727

Note: For a definition of terms, please see the *Terminology* section that precedes this figure. Methodological considerations are discussed in *Appendix A*.

Music industry expenditures

As the above Figure shows, the music industry spends \$141 million, of which nearly \$108 million (76%) is spent in Manitoba. Artists typically spend a higher proportion of their expenditures in Manitoba (87%, or \$13.3 million of \$15.2 million) than do service providers (75%, or \$94.4 million out of \$125.8 million). Overall expenditures and the share spent outside Manitoba ("direct leakage") are depicted graphically in Figure 7 below.

Of the nearly \$108 million spent in Manitoba, a total of \$92.6 million is estimated to stay within the province, directly benefiting Manitoba suppliers. This is referred to as the Manitoba Supply Content. The difference of \$15.1 million flows to out-of-province suppliers as "indirect leakage."



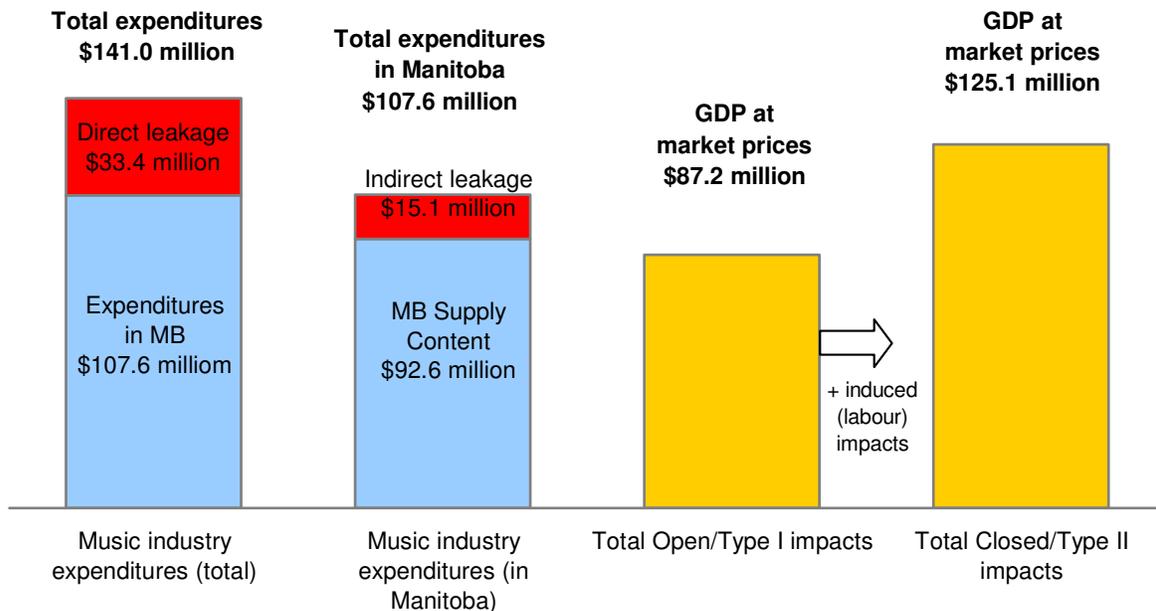
Impact on Manitoba GDP, including taxation revenues

Spending in Manitoba produces both direct and indirect (or "spin-off") effects that benefit the Manitoba economy. As shown in Figure 5 above, the sum of these effects (as a result of such spending) is a net positive impact of \$87.2 million on the province's GDP. To put this figure in perspective, \$87.2 million represents about .22% of Manitoba's 2004 GDP of \$40.2 billion. These figures are shown graphically in Figure 6, below.

When induced effects (consumer spending as a result of labour income) are also included, the industry produces a \$125.1 million positive impact on GDP. This represents .31% of Manitoba's GDP in 2004.

The difference between "GDP at market prices" (which includes government sector revenue) and "GDP at basic prices" (which excludes direct taxes, subsidies and indirect taxes on products) provides an estimate of tax revenues net of subsidies (i.e., the value of all sales tax revenues minus the value of subsidies to businesses). As Figure 5 above shows, when all effects are taken into account, government revenues netted in Manitoba total \$6.8 million.

Figure 6 GDP IMPACT OF EXPENDITURES BY MANITOBA'S MUSIC INDUSTRY, 2004



Note: For a definition of terms, please see the *Terminology* section that precedes this figure. Methodological considerations are discussed in *Appendix A*.





Impact on labour income and employment

Most of the music industry's positive impact on GDP is the result of its effect on labour income (i.e., wages and salaries). As shown in Figure 5, direct and indirect effects of music industry spending produce \$78.1 million in Manitoba labour income. When induced effects are included (i.e., the impact of consumer spending as a result of labour income), the net effect is \$100.1 million. This represents 80% of the industry's positive impact on GDP.

Employment generated by the industry totals 3,727 person-years when all effects are included (this figure is 3,038 when induced effects are excluded). This figure of 3,727 represents about .65% of Manitoba's 2004 employment average of 576,000 jobs. This .65% may be understating the proportion of jobs the industry generates, given that Manitoba employment figures are in persons and not in person-years.



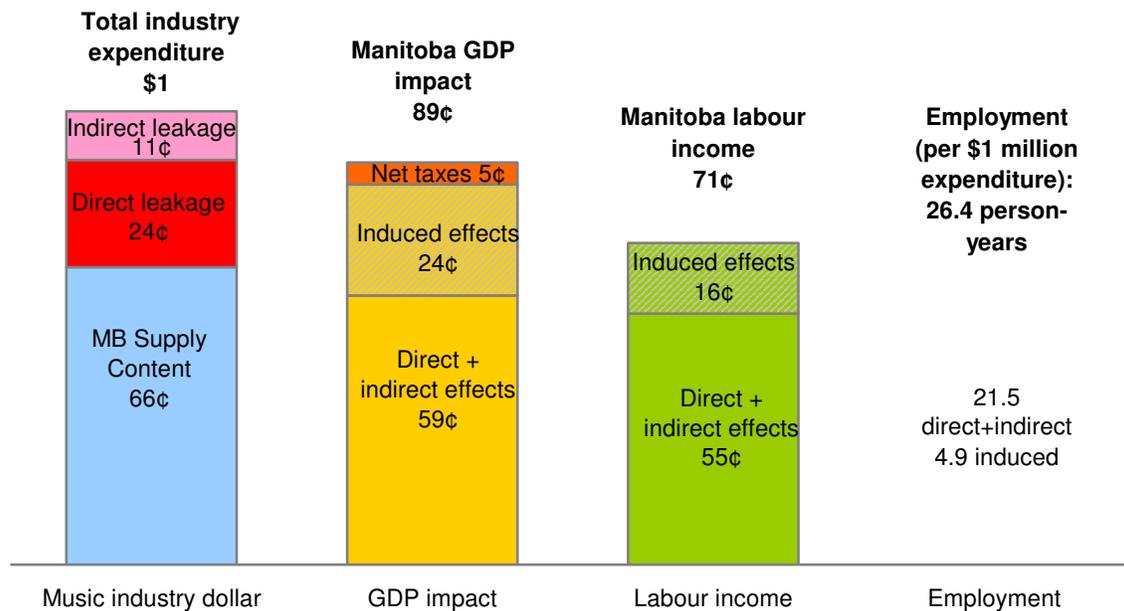
Impact of one dollar of spending by the Manitoba music industry

Figure 7, below, portrays the economic impact of a hypothetical \$1 expenditure by the Manitoba music industry, based on data presented above in Figure 5 and Figure 6.

On average, about 66¢ of every dollar spent by the industry benefits Manitoba suppliers, while the remainder flows out of the province through either direct (24¢) or indirect (11¢) leakage. When all economic impacts are taken into consideration, this increases Manitoba's total GDP by 89¢.

The benefit of each \$1 expenditure in terms of Manitoba labour income (i.e., wages and salaries) is 71¢. The number of jobs created by the industry is 26.4 person-years per \$1 million expenditure.

Figure 7 ECONOMIC IMPACT OF \$1 EXPENDITURE BY MUSIC INDUSTRY, 2004



Note: Due to rounding, the sum of the breakdown of music industry dollar (“total industry expenditure”) does not equal \$1. Manitoba GDP impact is shown both as market prices (the 89¢ total) and basic prices (the breakdown of direct, indirect, and induced effects), with the difference between the two GDP figures appearing as net taxes (primarily sales tax revenue, after subsidies are deducted). For a definition of terms, please see the Terminology section that precedes this figure. Methodological considerations are discussed in Appendix A.



Employment and wages in the Manitoba music industry

The following sections present employment and wage information related to the Manitoba music industry. This includes an estimate of economically active persons in the Manitoba music industry, employment in the industry (using full-time equivalents), earned wages in the industry based on payroll data, and a breakdown of businesses according to number of employees.

It must be noted that the counts provided in this section are based on full-time equivalent employees (FTEs), which does not equate exactly to the same number of persons. For example, a business employing 100 persons at half-time rates would appear here as an employer of 50 FTEs. Also, because employment data is based on payroll data, it should be noted that only registered businesses (groups and service providers) provided data for this section.

Economically active persons in the industry

Using a combination of employment data, group membership size, and industry population counts, the number of people economically active in the Manitoba music industry can be estimated.

Figure 8 below shows that 3,235 are economically active in the industry. To put this figure into context, the Manitoba labour force consists of 610,500 persons. Therefore, the Manitoba music industry can be said to account for about 0.5% of the total Manitoba labour force.

Service providers account for the largest portion of this number, with 2,313 FTE employees, compared to 922 FTEs amongst artists.

Figure 8 TIME SPENT ON MUSIC-RELATED ACTIVITIES

Industry role		Number	FTEs
Artists	Large performance organizations	2	74
	Solo artists	284	182
	Groups, excluding LPOs (see above)	205	654
	Composers	21	12
Service providers		570	2,313
Total		1,082	3,235

Note: Data for artists was collected in two ways: where FTE and salary data was provided for those with payroll employees, this data was used; otherwise, an estimate of the amount of time spent on music-related activities was generated using comparable data from Music NB Inc.'s *Profile and Economic Impact of the Music Industry of New Brunswick, 2004*.



Employment in the industry

Figure 9 below provides a breakdown of employment in the service provider category, and also includes music groups that are registered as businesses. This breakdown is based on payroll data. Since there is no payroll data available for music groups who are not registered as businesses, only groups who are registered as business have been included in the estimates.

Venues employ 1,008 FTE positions, or 37% of industry employment. This is significantly more than the second-highest category, groups who are registered as businesses, which employ 386 FTEs (14%).

Sale and rental of gear/instruments, P.A. systems, and lighting equipment accounts for approximately 10% of total employment (276 FTEs), followed by talent buyers (also at 10%), with 265 FTEs.

Figure 9 MANITOBA MUSIC INDUSTRY EMPLOYMENT BY BUSINESSES (FTE) BASED ON PAYROLL DATA

Industry Role	Total		
	Average number of employees	Total employment	Percent of total industry employment
Venues	13	1,008	37%
Groups (registered businesses only)	5	386	14%
Gear/Instruments/P.A./Lighting – Sales and Rentals	10	276	10%
Talent Buyers	5	265	10%
Music Instruction	1	227	8%
Other Service Providers	7	172	6%
Recording Studios	3	66	2%
Record Producers	2	51	2%
Record Companies and Distributors	2	49	2%
Production Companies	8	48	2%
Music Organizations	4	47	2%
Booking Agencies and Management	3	45	2%
Gear/Instruments – Service	1	20	1%
Manufacturers	3	20	1%
Graphic Artists	1	12	<1%
Photographers	1	8	<1%
Total for industry	4	2,699	100%

Note: The figures reported in this table are based on payroll data. Figures of less than 0.5% are shown as <1%. Percentage totals may not equal 100% due to rounding.



Percent of industry employment directly related to music

Figure 9 above shows the total numbers of employees in the businesses and organizations in the Manitoba music industry. In addition to the total number of employees, respondents were also asked to indicate what percentage of their workforce is directly related to music. For most, the number of FTEs related directly to music corresponds to their workforce as a whole, but there are some notable exceptions.

Venues are the most significant exception because they represent such a large percentage of the music industry workforce. Only 48% of venue employees are involved in activities directly related to music. This is not surprising, bearing in mind that most venues will have a number of non-music related employees, such as office managers, security, cleaning, or concession staff, whose work is required whether that venue's events are music related or not.

Wages in the Manitoba music industry

The Manitoba music industry produced slightly more than \$66 million in wages and salaries in the past year (see Figure 10 below). Of this amount, most was from employment created by service providers, at \$60.8 million, compared to \$5.3 million from employment created by groups.

The largest generators of wages and salaries in the industry were venues, at \$25 million (38%). As Figure 9 above shows, venues accounted for 37% of total employment in the Manitoba music industry. It is therefore not surprising that they also produced the lion's share of wages and salaries paid in the industry.

However, sales and rentals of gear/instruments, P.A. systems, and lighting equipment account for 19% of total wages and salaries, making this the second-largest wage category; whereas it generates only 10% of FTE employment (compared to the 14% generated by groups). This indicates that wages paid in the gear/instruments, P.A. systems, and lighting equipment sales and rental sector are higher than those of groups registered as businesses, even though groups generate a larger number of FTEs. Variability of wages / salaries should be borne in mind when results in Figure 9 and Figure 10 are compared.



Figure 10 MANITOBA MUSIC INDUSTRY WAGES PAID BY BUSINESSES BASED ON PAYROLL DATA

Industry Role	Total		
	Average wage or salary bill	Total wages and salaries	Percent of total industry wages
Venues	\$326,772	\$25,021,379	38%
Gear/Instruments/P.A./Lighting – Sales and Rentals	\$433,378	\$12,567,950	19%
Talent Buyers	\$136,360	\$7,772,529	12%
Groups (registered as businesses only)	\$63,186	\$5,290,919	8%
Music Instruction	\$22,410	\$5,082,019	8%
Recording Studios	\$78,581	\$2,016,632	3%
Manufacturers	\$222,000	\$1,776,002	3%
Booking Agencies and Management	\$89,408	\$1,601,569	2%
Record Companies and Distributors	\$50,570	\$1,112,550	2%
Music Organizations	\$88,206	\$1,058,475	2%
Record Producers	\$42,991	\$988,791	2%
Other Service Providers	\$37,186	\$966,837	1%
Graphic Artists	\$37,186	\$446,233	1%
Photographers	\$37,186	\$297,488	<1%
Production Companies	\$21,350	\$128,100	<1%
Gear/Instruments – Service	---	---	---
Total for industry	\$101,165	\$66,127,472	100%

Note: The figures reported in this table are based on payroll data. Figures of less than 0.5% are shown as <1%. Percentage totals may not equal 100% due to rounding. In some cases, the median and the mean are equal – in most cases, this is due to the inclusion of imputed values



Distribution of full-time equivalent employment

Figure 11 below indicates the distribution of FTE employment as a percentage of businesses or organizations in the Manitoba music industry. Only 3% of businesses employ more than 26 FTEs. The vast majority (97%) have 25 or fewer FTEs.

Again, it should be remembered that "full-time equivalents" does not mean "full-time employees." In Figure 11, for example: 50% of businesses report having one FTE. This is an intelligible finding concerning groups (which accounted for 386 FTEs – see Figure 9 above), because many groups have a few members who work part-time, and will be reckoned to produce one full-time equivalent.

Figure 11 BREAKDOWN OF EMPLOYMENT ON FTE BASIS





Tax revenue generated

Goods and Services Tax (GST) revenue

Survey respondents were asked to report on their GST remittance or refund for 2004. Figure 12 below provides a summary of net GST remittance and refund.

Slightly over \$2.3 million in GST revenue was generated this past year by the Manitoba music industry (see Figure 12). Of that amount, service providers generated 99%, while artists produced the remaining 1% (\$12,981). Lower income norms for artists may explain this finding.

Figure 12 NET GOODS AND SERVICES TAX REVENUE BY INDUSTRY ROLE

Category	Mean (\$)	Median (\$)	Total (\$)	Percent
Artists	\$25	\$0	\$12,981	1%
Service providers	\$4,056	\$33	\$2,311,860	99%
Total for industry	\$2149	\$0	\$2,323,948	100%

Note: "Percent" refers to the percentage of total GST revenue earned.

Retail Sales Tax (RST) revenue

Some estimates of the amount of Retail Sales Tax (RST; commonly referred to as PST) generated in Manitoba have been made from revenue data provided by artists and service providers. These data are presented in Figure 13, below.

It should be noted this data is not directly comparable to the previous section's GST data, which was based on declared GST remittances and refunds by artists and service providers. In contrast, the following is based on estimates derived from RST-eligible artist and service provider revenues (i.e., consumer expenditures).

The data show that over \$1.2 million in RST was raised by the provision of music industry goods and services. This will be a conservative estimate, given that retail CD outlets were not included as part of the study and that additional tax revenues will have been generated from spin-off effects of the music industry. Of the \$1.2 million total, the economic activities of service providers raised approximately \$1.1 million (or 93%).

Figure 13 NET RETAIL SALES TAX REVENUE BY INDUSTRY ROLE

Category	Mean (\$)	Total (\$)	Percent
Artists	\$180	\$92,127	7%
Service providers	\$2,007	\$1,143,866	93%
Total for industry	\$1,142	\$1,235,993	100%

Note: "Percent" refers to the percentage of total RST revenue earned.



Industry by music genre

Figure 14 below depicts the Manitoba music industry according to three broad genres of music: popular genres, classical/jazz, and Other/various. Popular genres account for 62% of the Manitoba music industry, classical/jazz for 28%, and Other/various for 10%. Figure 15 gives more detail about these genre categories.

Figure 14 MUSIC INDUSTRY BY GENRE

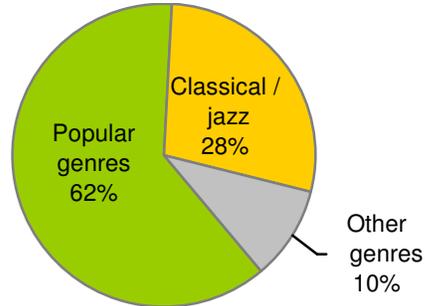




Figure 15 MANITOBA MUSIC INDUSTRY BY GENRE

Genre		Sub-genre	Percent	Percent
Popular genres	Rock / rock & roll	Rock / rock & roll	13%	23%
		Rockabilly / roots	4%	
		Alternative / indie rock	3%	
		Other rock	2%	
		Hard rock / heavy metal	1%	
	Folk			12%
	Country			7%
	World music / ethnic music	Aboriginal	2%	7%
		Celtic	2%	
		World music	2%	
		Other world music	1%	
	Pop			4%
	Blues			4%
	Children's / family			2%
Adult contemporary / easy listening			1%	
Electronica			1%	
Rap / hip hop			1%	
Funk / R&B / soul			1%	
Disco / club / dance			<1%	
Classical / jazz	Classical	22%	28%	
	Jazz	4%		
	Opera	1%		
	Other classical	2%		
Other various	Various / all genres	5%	10%	
	Songwriting / composition	1%		
	Spiritual / Christian / gospel	2%		
	Musical or performance theatre	1%		
	Other	1%		



Industry revenues and expenditures

Music industry overview

In 2004, the Manitoba music industry, as indicated by the following figures, played a significant role in the overall strength of the province's economy. This section of the report provides an overview of Manitoba's music industry total revenue and expenditures. The table immediately below (Figure 16) shows the total estimated industry revenue generated by artists and service providers, in dollar amounts and total industry percentages. Figure 17 shows an overview of total industry expenditures, broken out by general expense categories (outsourced professional services, office and other business expenditures, equipment, travel and transportation, and salary and wages). Figure 17 also shows the sub-total of all expenditures excluding salary and wages, as well as a grand total including salary and wages.

Overview of music industry revenues

The total for all revenues generated by artists and service providers in 2005 is estimated at \$107.8 million (Figure 16).

As illustrated below, service providers (e.g., businesses and venues) receive the most revenue: \$90.6 million, or approximately 84% of the total. Artists, on the other hand, receive \$17.2 million each year, or approximately 16% of total industry revenue. It should be noted that industry funding (in the form of grants and government support, as well as loans and credit) was included in the calculation of artist and service provider revenue overall.

Figure 16 OVERVIEW OF TOTAL INDUSTRY REVENUE

Category	Total revenues	Percent
Service providers	\$90,615,144	84%
Artists	\$17,192,902	16%
Total	\$107,880,046	100%

Note: Revenue figures include financing and agency / government funding.



Overview of music industry expenditures

The Manitoba music industry is an important contributor to economic activity. The estimated total of all expenditure for artists and service providers in 2004 is slightly over \$141 million (Figure 17).

Expenditures have been categorised as: outsourced professional services, office and other business expenditures, equipment, travel and transportation, and salaries/wages. Results are shown in Figure 17, below.

The largest share of music industry expenditures in Manitoba falls under the heading of salary and wages, at \$66.1 million; followed by outsourced professional services related to the industry (\$37.6 million), and office and other business expenditures (\$27 million). Far smaller amounts were spent on equipment, and travel and transportation (\$6 million and \$4.3 million, respectively) (Figure 17).

A detailed breakdown of expenditures by category is provided in the sections that follow, as well as a breakdown of the percentage of expenditures spent directly in Manitoba

Figure 17 OVERVIEW OF TOTAL INDUSTRY EXPENDITURES

Expense category	Artists	Service providers	Total
Outsourced professional services	\$3,601,039	\$33,975,258	\$37,576,297
Office and other business expenditures	\$2,220,785	\$24,787,284	\$27,008,069
Equipment	\$2,010,141	\$3,942,345	\$5,952,486
Travel and transportation	\$2,056,932	\$2,287,892	\$4,344,824
Subtotal	\$9,888,898	\$64,992,778	\$74,881,676
Salary and wages	\$5,290,919	\$60,836,553	\$66,127,472
Grand total	\$15,179,817	\$125,829,331	\$141,009,148

Figure 18, below, shows the relative proportions of artists and service providers across various brackets of revenue and expenditure. Not surprisingly, less than 10% of artists had revenues exceeding \$50,000 in 2004, whereas more than 25% of service providers did. Also to be expected is the larger proportion (95%) of service providers whose expenditures (when salaries/wages are included) were higher than \$10,000 in 2004, in comparison to artists with that level of expenditures (41%).



Figure 18 REVENUE AND EXPENDITURE LEVELS

	Revenues		Expenditures (before salary and wages)		Expenditures (after salary and wages)	
	Artists	Service providers	Artists	Service providers	Artists	Service providers
None	15%	7%	1%	1%	<1%	0%
\$1 to \$500	12%	1%	10%	3%	10%	<1%
\$501 to \$1,000	8%	2%	7%	7%	7%	0%
\$1,001 to \$5,000	17%	17%	25%	25%	24%	2%
\$5,001 to \$10,000	13%	11%	19%	17%	18%	3%
\$10,001 to \$50,000	26%	36%	31%	31%	33%	47%
\$50,001 to \$100,000	4%	10%	3%	4%	3%	16%
\$100,001 to \$500,000	4%	12%	4%	9%	5%	24%
\$500,001 to \$1,000,000	<1%	2%	1%	1%	<1%	5%
Greater than \$1 million	<1%	2%	0%	2%	<1%	3%
Total	100%	100%	100%	100%	100%	100%

Artist revenues

This section examines artist revenue from sales and performances (Figure 19) and artist revenue from music industry services (Figure 20). Figure 19 shows the relationship between various sources of revenue in the area of sales/performance, ranging from major sources such as live performance fees or the distribution of recordings, to minor ones such as synch and licensing fees. Figure 20 indicates revenues received by artists from providing music industry related services, such as teaching, promoting, managing, or producing other artists.

Artist revenue from sales/performances and from music industry services is responsible for \$11.3 million out of \$17.2 million generated in 2004, while industry funding (grants and government support) and artist loans / credit are the sources for the rest.

Artist revenues – sales/performance

For artists, the largest source of revenue by far is live performance fees, at more than \$8.3 million.

The next largest source of revenue for artists is selling and distributing CDs/tapes/recordings, but there is a huge gap between total revenue for this sub-category (\$1.1 million), and the total for live performance fees.

Advances on record and distribution deals (\$557,000) yielded about half the revenue that sound recording sales/distribution did. All other revenue sources under this heading (such as sales of promotional merchandise, commissions and fees for composing music/lyrics or other publishing revenue, payments from performing rights organizations payments like SOCAN, BMI or ASCAP, royalties on record sales, and per diems from a group or a record label) taken together account for just 7% of the total revenue of artists.



Figure 19 ARTIST REVENUES– SALES/PERFORMANCE

Source of revenue	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Live performance fees	77%	\$21,065	\$3,750	\$8,338,809	77%
Sales from selling or distributing CDs, tapes, or other recordings of your music	39%	\$5,506	\$1,500	\$1,111,630	10%
An advance on a record or distribution deal	2%	\$69,067	\$5,000	\$556,657	5%
Selling promotional merchandise	18%	\$2,016	\$1,000	\$183,294	2%
Commissions or fees for composing music or lyrics or other publishing revenue	7%	\$4,503	\$750	\$151,906	1%
Payments from performing rights organizations such as SOCAN, BMI or ASCAP	24%	\$1,057	\$325	\$129,068	1%
Royalties from your record sales	6%	\$4,202	\$1,265	\$121,370	1%
A per diem or salary from your record label or group	2%	\$20,751	\$40,000	\$109,534	1%
Mechanical royalties	5%	\$2,614	\$500	\$68,047	1%
Professional music industry services to other groups	9%	\$1,981	\$1,000	\$35,634	0%
Synch fees and licensing fees	2%	\$688	\$250	\$8,793	0%
Total	83%	\$25,507	\$4,469	\$10,814,742	100%

Note: "Frequency" refers to the percentage of artists who reported receiving revenue from the source indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Amounts of less than 0.5% are shown as <1%.

Please note that the choice "A per diem or salary from your record label or group" was only offered to solo artists and composers surveyed; also that "Professional music industry services to other groups" was only offered to group artists.



Artist revenues – music industry services

Over \$468,000 of the \$17.2 million in artist revenue comes directly from music industry services provided by artists to other artists. As a whole, services to other artists accounts for a much lower percentage of total revenue earned by Manitoba artists than does revenue earned directly through sales and performance; however, many artists are involved in providing revenue-producing music industry services.

The largest source of revenue in this category is teaching music, which accounts for about \$271,000.

Activities in the remaining sub-categories produced considerably less revenue. Engineering, producing, manufacturing or distribution of another artist's sound recording yielded \$58,000, followed closely by manufacturing, renting, selling, repairing, or servicing music instruments/accessories (\$55,000), and managing, booking, or promoting other artists (less than \$33,000).

Figure 20 ARTIST REVENUES FROM MUSIC INDUSTRY SERVICES

Source of revenue	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Teaching music	19%	\$4,723	\$3,000	\$271,575	58%
Engineering, producing, manufacturing or distribution another artist's sound recording	6%	\$3,333	\$2,000	\$58,242	12%
Manufacturing, renting, selling, repairing or servicing music instruments or accessories	6%	\$2,969	\$1,750	\$55,201	12%
Managing, booking, or promoting an artist other than yourself	3%	\$3,697	\$1,000	\$32,884	7%
Technical services like doing sound or lighting for live music performances	4%	\$1,818	\$500	\$22,848	5%
Professional services, like website design, legal or accounting services	3%	\$1,167	\$1,000	\$9,321	2%
Arranging other artists' music	1%	\$4,000	\$4,000	\$9,231	2%
Operating a sound recording studio	1%	\$1,407	\$2,000	\$5,588	1%
Buying talent for a live music venue or festival	1%	\$835	\$1,000	\$3,317	1%
Commissions on promotional merchandise for another artist	<1%	\$200	\$200	\$262	0%
Publishing or licensing another artist's music	0%	\$0	\$0	\$0	0%
Total	31%	\$5,023	\$2,050	\$468,468	100%

Note: "Frequency" refers to the percentage of artists who reported receiving revenue from the source indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Amounts of less than 0.5% are shown as <1%. The above questions were asked only of solo artists.



Artist expenditures

This section describes artist expenditures, categorized as equipment, travel/transportation, outsourced professional services, and office and other business expenditures.

Artist expenditures total \$15.2 million *including* salaries and wages, or \$9.9 million when salaries/wages are left out. Excluding salary/wages, artists spent the most on outsourced professional services: \$3.6 million. They tended to apportion expenditures equally amongst the remaining three categories of office and other business expenditures (\$2.2 million), travel/transportation (\$2.1 million), and equipment (\$2 million).

Salaries and wages, however, are artists' greatest area of expense. In the past year, artists spent \$5.3 million on salary and wages, more than any other area.

Artist expenditures – equipment

Artist expenditures on equipment total roughly \$2 million, or approximately 20% of their total overall before salary and wages. Artists are also responsible for 34% of the total equipment expenditures in the music industry.

The most significant equipment expenditures for artists, as one might anticipate, came from spending directly on musical instruments and accessories (nearly \$1.1 million), followed by recording equipment and accessories (\$417,000).

Figure 21 ARTIST EXPENDITURES – EQUIPMENT

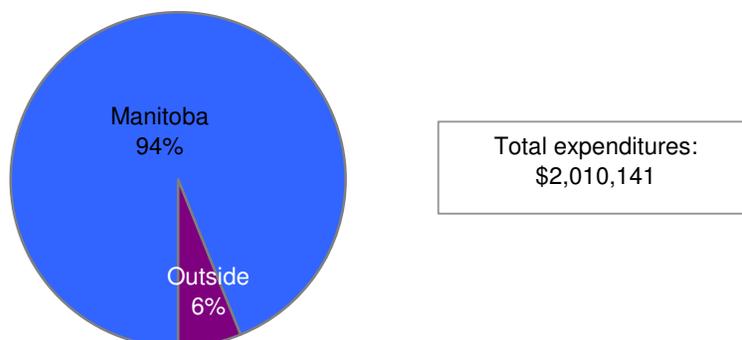
Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Musical instruments and accessories	33%	\$3,090	\$1,803	\$1,112,327	55%
Recording equipment and accessories, including recorders, mixers, etc.	13%	\$2,995	\$800	\$416,927	21%
Live sound reinforcement and P.A. or lighting equipment and accessories	12%	\$1,440	\$500	\$180,650	9%
Specialized hardware and software, including interfaces, controllers, etc.	8%	\$1,469	\$800	\$122,768	6%
Equipment and musical instrument repair and maintenance	23%	\$474	\$300	\$119,177	6%
Photographic equipment	3%	\$1,215	\$500	\$43,690	2%
CD duplication machinery	2%	\$494	\$250	\$9,815	<1%
DJ equipment and accessories, such as CD or MP3 players, turntables, effects, etc.	2%	\$219	\$97	\$4,788	<1%
Total	94%	\$4,462	\$2,000	\$2,010,141	100%

Note: "Frequency" refers to the percentage of artists who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Amounts of less than 0.5% are shown as <1%.



Overwhelmingly, equipment expenditures were spent within Manitoba, 94% remaining in the province. Figure 22 below illustrates:

Figure 22 ARTIST EQUIPMENT EXPENDITURES – PERCENT IN MANITOBA



Artist expenditures – travel and transportation

Artists report a total of \$2.1 million spent on travel and transportation related costs. This amount represents 47% of the entire industry's travel and transportation expenditures, and 21% of artist expenditures overall.

At the top of the list are vehicle operation, repair and maintenance costs (\$580,000), followed by airfare, bus, taxi, and other travel fares (\$516,000). Further details are shown in Figure 23 below.

Figure 23 ARTIST EXPENDITURES – TRAVEL AND TRANSPORTATION

Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Vehicle operation, repair and maintenance, including registration, insurance, gas and oil	10%	\$2,470	\$1,500	\$580,009	28%
Airfare, bus, taxi, and other travel fares	22%	\$4,469	\$2,000	\$515,942	25%
Passenger or cargo vehicle or trailer purchase, rental, or leasing	11%	\$3,183	\$1,500	\$338,836	16%
Hotel, motel or other accommodations	12%	\$2,223	\$1,000	\$282,364	14%
Out of town food and hospitality	7%	\$1,729	\$500	\$269,094	13%
Conference and showcase fees	8%	\$440	\$200	\$35,737	2%
Visa or work permit fees	14%	\$857	\$1,000	\$18,454	1%
Parking charges and toll fees	2%	\$206	\$100	\$16,495	1%
Total	80%	\$6,982	\$2,600	\$2,056,932	

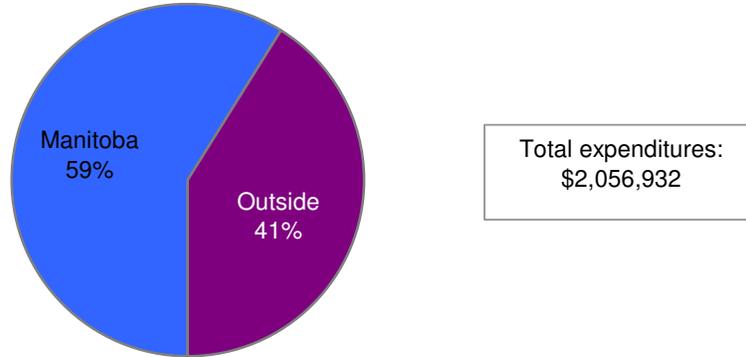
Note: "Frequency" refers to the percentage of artists who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Amounts of less than 0.5% are shown as <1%.





Interestingly, most travel and transportation expenditures (59%) remain within Manitoba, as shown below in Figure 24.

Figure 24 ARTIST TRAVEL / TRANSPORTATION EXPENDITURES – PERCENT IN MANITOBA





Artist expenditures – outsourced professional services

Figure 25 below details artist expenditures related to outsourced professional services. The largest expense in this category is CD / DVD / tape recording or production at \$950,000, or 26% of the total \$3.6 million spent.

Figure 25 ARTIST EXPENDITURES – OUTSOURCED PROFESSIONAL SERVICES

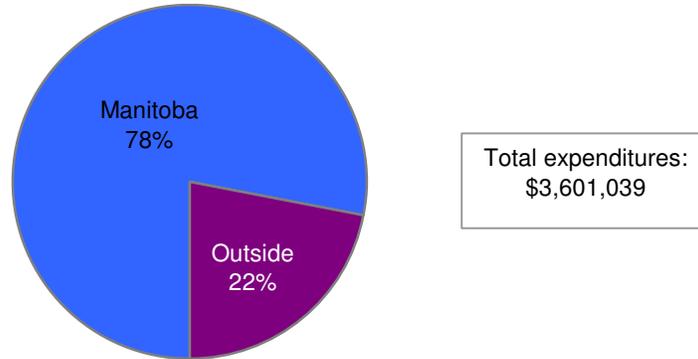
Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
CD / DVD / tape recording or production	17%	\$5,174	\$2,000	\$949,962	26%
Session players, sidemen, roadies, lighting / sound / merchandise or other crew	15%	\$5,207	\$1,000	\$856,897	24%
Agency fees and management fees	9%	\$4,892	\$1,000	\$454,293	13%
CD / DVD / tape manufacturing	10%	\$3,729	\$2,200	\$418,961	12%
Fees for advertising, promotion, and publicity	12%	\$1,607	\$400	\$210,599	6%
Fees for graphics, web design video, or photography	13%	\$1,022	\$500	\$140,067	4%
Other outsourced or contract professional services from anyone who is not a full-time employee of your company	1%	\$21,118	\$1,282	\$125,738	3%
Merchandise production	5%	\$2,231	\$1,200	\$119,638	3%
All fees for grooming, image consulting, wardrobe purchase and upkeep	10%	\$1,016	\$500	\$113,784	3%
Legal and accounting services	10%	\$484	\$300	\$53,306	2%
Sheet music and music books	10%	\$401	\$100	\$42,951	1%
Vocal or instrumental coaching and other professional development fees	6%	\$637	\$473	\$38,954	1%
Union or other trade association dues	15%	\$228	\$160	\$36,629	1%
Non-travel related accommodation and hospitality	1%	\$2,105	\$1,011	\$27,067	1%
Set dressing and design	2%	\$698	\$752	\$12,192	<1%
Total	90%	\$8,842	\$2,000	\$3,601,039	100%

Note: "Frequency" refers to the percentage of artists who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Amounts of less than 0.5% are shown as <1%.



As Figure 26 below illustrates, 78% of artist expenditures on outsourced professional services stayed in Manitoba, and 22% went outside of the province.

Figure 26 ARTIST PROFESSIONAL SERVICES EXPENDITURES – PERCENT IN MANITOBA





Artist expenditures - office and other business expenditures

Office and other business expenditures represent 22% of artist expenditures before salary and wages, but not surprisingly, only 8% of office and business expenditures for the entire industry.

Of the \$2.2 million spent by artists in this category, the largest share went to artist fees at \$700,000, representing 32% of expenditures. Rent including utilities was another substantial cost at \$454,000 (20% of the total), and common office expenditures such as paper, postage, stationery printing, photocopying, telephone, fax, courier, long distance, etc., drew some \$319,000 or 14% of artist spending.

Figure 27 ARTIST EXPENDITURES – OFFICE AND OTHER BUSINESS EXPENDITURES

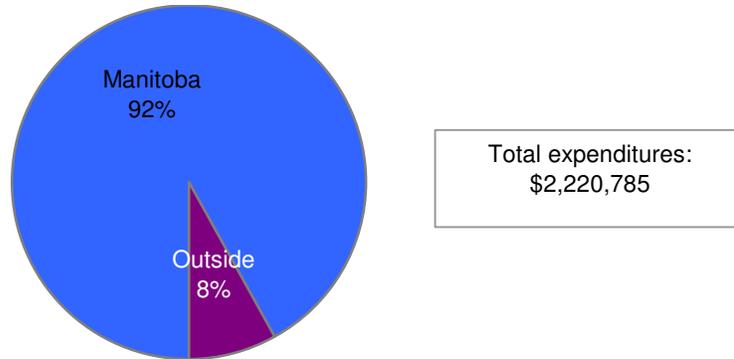
Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Artist fees	2%	\$44,062	\$5,610	\$700,124	32%
Rent including utilities	11%	\$3,970	\$1,419	\$453,780	20%
Common office expenditures like paper, postage, stationery printing, photo-copying, telephone, fax, courier, long distance, etc.	29%	\$1,015	\$300	\$318,754	14%
Computers	9%	\$1,971	\$1,256	\$193,307	9%
Marketing costs	7%	\$2,205	\$500	\$164,109	7%
All insurance costs	11%	\$698	\$384	\$81,629	4%
Miscellaneous	1%	\$9,742	\$3,500	\$68,940	3%
Bank and other financial service fees including loan interest	9%	\$527	\$270	\$52,718	2%
Tapes, CDs, DVDs, records and video purchases	16%	\$274	\$200	\$46,492	2%
Funding and advance recoupment	2%	\$2,506	\$500	\$40,430	2%
Office furniture	4%	\$932	\$250	\$36,504	2%
Licensing fees	2%	\$867	\$250	\$20,868	1%
Artist label CD purchases	3%	\$453	\$175	\$16,417	1%
Other taxes	<1%	\$4,580	\$1,912	\$14,259	1%
Renovations	1%	\$1,336	\$1,611	\$7,862	<1%
Duty, brokerage and import fees	2%	\$276	\$258	\$4,594	<1%
Total	89%	\$5,694	\$1,200	\$2,220,785	100%

Note: "Frequency" refers to the percentage of artists who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Amounts of less than 0.5% are shown as <1%.



Although the expenditures for this category are only a small proportion of total expenditures, 92% remained within Manitoba.

Figure 28 ARTIST OFFICE EXPENDITURES – PERCENT IN MANITOBA



Service provider revenues

As Figure 29 below (total service provider revenues by type of revenue) shows, service providers in the Manitoba music industry received over \$82.7 million in combined revenue in 2004. Readers should note that this figure excludes funding and financing revenues that, when included, increase total service provider revenues to \$90.6 million (see *Sources of Financing* section of this report for more information).

Manufacturing, renting, selling, repairing or servicing music instruments/accessories accounts for half of 2004's total service provider revenues (\$41.2 million). This amount dwarfs the next highest revenue source, which is ticket sales including the amusement tax for live music (\$8.2 million), with engineering, producing, manufacturing / distribution of a sound recording a distant third at \$6.5 million.

At first glance, \$6.4 million in revenue from parking, food, refreshment, and other income associated with live musical performances (see Figure 29) might seem remarkably high. However, this revenue source includes (for example) weekend music festivals, some of which attract thousands of spectators daily, and which typically have a large number of concessionaires on-site for the entire weekend, making the amount more readily comprehensible.



Figure 29 SERVICE PROVIDER REVENUES

Source of revenue	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Manufacturing, renting, selling, repairing or servicing music instruments or accessories	8%	\$868,476	\$28,375	\$41,226,862	50%
Ticket sales including the amusement tax for live music	17%	\$86,317	\$9,000	\$8,235,781	10%
Engineering, producing, manufacturing or distribution of a sound recording	8%	\$137,831	\$25,000	\$6,533,251	8%
Parking, food, refreshment, and other income from live musical performances	6%	\$184,884	\$25,000	\$6,401,798	8%
Teaching music	42%	\$24,733	\$17,000	\$5,944,154	7%
Managing, booking, or promoting an artist	12%	\$73,536	\$5,000	\$5,049,870	6%
Sponsorship for live music performances	8%	\$46,756	\$6,000	\$2,035,942	2%
Operating a sound recording studio	10%	\$33,540	\$10,393	\$1,837,754	2%
Rental income from your facility	7%	\$33,508	\$10,600	\$1,388,921	2%
Technical services like sound or lighting for live music performances	11%	\$22,076	\$2,000	\$1,349,442	2%
Buying talent for a live music venue or festival	8%	\$17,032	\$3,000	\$757,852	1%
Arranging music	6%	\$19,098	\$2,885	\$674,912	1%
Professional services, like website design, legal or accounting services	6%	\$11,830	\$2,187	\$416,781	1%
Commissions on promotional merchandise	7%	\$6,648	\$1,500	\$278,399	<1%
Publishing or licensing music	5%	\$8,911	\$8,817	\$270,867	<1%
Miscellaneous/unspecified	3%	\$17,234	\$7,000	\$267,717	<1%
Total	92%	\$157,546	\$18,000	\$82,670,303	100%

Note: "Frequency" refers to the percentage of service providers who reported receiving revenue from the source indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.



Service provider expenditures

Service provider expenditures – equipment

Service providers report spending some \$3.9 million on equipment in 2004 (see Figure 30 below). Areas under this heading where they spent the most were, first, live sound reinforcement and P.A. or lighting equipment/accessories (\$993,000); second, recording equipment/accessories, including recorders, mixers, etc. (\$831,000). Although fewer service providers spent money on recording equipment than on live sound reinforcement gear, the average amount spent per respondent was higher. Together these areas account for nearly half (46%) of the total spent by service providers on equipment in 2004.

Figure 30 SERVICE PROVIDER EXPENDITURES – EQUIPMENT

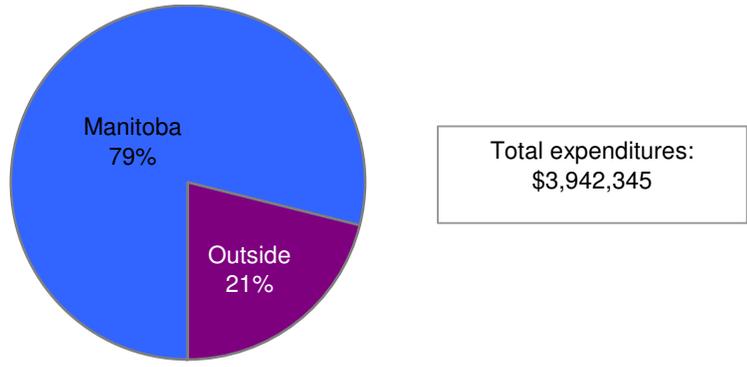
Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Live sound reinforcement and P.A. or lighting equipment and accessories	11%	\$8,245	\$1,500	\$993,386	25%
Recording equipment and accessories, including recorders, mixers, etc.	7%	\$11,702	\$2,500	\$831,424	21%
Specialized hardware and software, including interfaces, controllers, etc.	9%	\$6,307	\$2,500	\$630,444	16%
Musical instruments and accessories	16%	\$3,691	\$2,000	\$627,425	16%
DJ equipment and accessories, such as CD or MP3 players, turntables, effects, etc.	3%	\$9,792	\$3,000	\$294,431	7%
CD duplication machinery	3%	\$7,687	\$1,949	\$223,530	6%
Equipment and musical instrument repair and maintenance	22%	\$791	\$300	\$190,422	5%
Photographic equipment	4%	\$3,912	\$500	\$151,283	4%
Total	90%	\$8,640	\$1,500	\$3,942,345	100%

Note: "Frequency" refers to the percentage of service providers who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.



As with artists, most of what service providers spent on equipment was spent locally, 79% remaining in the province (see Figure 31 below). However, the balance that went outside the province is noticeably higher than for artists, more than 90% of whose equipment-related dollars stayed in Manitoba.

Figure 31 SERVICE PROVIDER EQUIPMENT EXPENDITURES – PERCENT IN MANITOBA



Service provider expenditures – travel and transportation

Service provider expenditures on travel and transportation related to the music industry were about \$2.3 million, which represents over half (53%) of travel and transportation expenditures overall. However, to put this into perspective, note that service providers' travel/transportation costs represent less than 4% of their total expenditures. It is also interesting to note that only 50% of service providers report having spent anything on travel and transportation in 2004.

No one area of travel and transportation expense stands out as significantly greater than any other. The largest is airfare, bus, and other travel expenditures (\$640,000), followed closely by three other areas of roughly equal value: (1) Passenger/cargo vehicle or trailer purchase, rental or leasing (\$422,000); (2) vehicle operation, repair and maintenance, (including registration, insurance, gas and oil) (\$416,000) and hotel/motel or other accommodations (\$409,000).



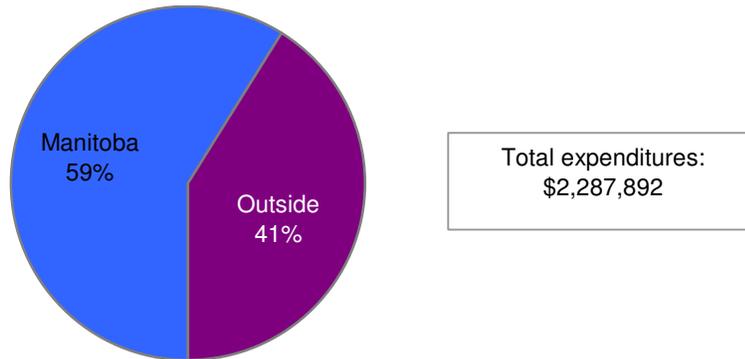
Figure 32 SERVICE PROVIDER EXPENDITURES – TRAVEL AND TRANSPORTATION

Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Airfare, bus, taxi, and other travel fares	8%	\$7,700	\$1,500	\$640,120	28%
Passenger or cargo vehicle or trailer purchase, rental, or leasing	6%	\$6,510	\$2,000	\$422,393	18%
Vehicle operation, repair and maintenance, including registration, insurance, gas and oil	18%	\$2,149	\$1,500	\$416,396	18%
Hotel, motel or other accommodations	9%	\$4,415	\$1,000	\$409,066	18%
Conference and showcase fees	9%	\$2,266	\$400	\$220,546	10%
Out of town food and hospitality	7%	\$1,886	\$1,000	\$142,751	6%
Parking charges and toll fees	5%	\$420	\$200	\$20,734	1%
Visa or work permit fees	1%	\$1,722	\$1,624	\$15,887	1%
Total	73%	\$8,180	\$1,700	\$2,287,892	100%

Note: "Frequency" refers to the percentage of service providers who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.

In terms of Manitoba vs. non-Manitoba spending, the pattern for service providers here again resembles that of artists (see Figure 33). An estimated 59% of service providers' travel and transportation expenditures remained in Manitoba, 41% going outside the province.

Figure 33 SERVICE PROVIDER TRAVEL / TRANSPORTATION EXPENDITURES – PERCENT IN MANITOBA





Service provider expenditures – outsourced professional services

Outsourced professional services related to the music industry constitute the largest segment of service provider expenditures, and also the largest segment of expenditures overall. As Figure 33 below indicates, service providers spent more than \$33.9 million on outsourced professional services, that is, in excess of 90% of the total spent on those services in the Manitoba industry.

The largest amount by far went toward merchandise purchase or production: nearly \$25.6 million. It should be noted that this figure includes all merchandise purchased or produced for resale; for example, musical instruments and equipment purchased or produced for resale are included in this figure. CD/DVD/tape manufacturing is the next highest category, but at \$2.9 million represents a mere fraction of merchandise expenditures. High merchandise costs are explained by a small number of manufacturers who reported very large amounts under this heading.

Figure 34 SERVICE PROVIDER EXPENDITURES – OUTSOURCED PROFESSIONAL SERVICES

Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Merchandise purchase or production*	5%	\$522,743	\$2,792	\$25,588,274	75%
CD / DVD / tape manufacturing	4%	\$71,676	\$4,000	\$2,931,730	9%
Fees for advertising, promotion, and publicity	19%	\$5,331	\$600	\$1,093,084	3%
Session players, sidemen, roadies, lighting / sound / merchandise or other crew	9%	\$10,566	\$2,500	\$1,050,408	3%
Other outsourced or contract professional services from anyone not a full-time employee of your company	4%	\$20,793	\$1,500	\$994,591	3%
Agency fees and management fees	3%	\$28,487	\$10,000	\$779,310	2%
Fees for graphics, web design video, or photography	9%	\$3,875	\$1,250	\$395,485	1%
Legal and accounting services	18%	\$1,684	\$500	\$334,047	1
Non-travel related accommodation and hospitality	4%	\$4,795	\$1,200	\$206,454	1%
CD / DVD / tape recording or prod'n	3%	\$5,858	\$2,000	\$173,781	1%
Sheet music and music books	19%	\$730	\$300	\$149,246	<1%
Vocal or instrumental coaching and other professional development fees	7%	\$1,296	\$400	\$94,647	<1%
Union or other trade association dues	42%	\$268	\$150	\$63,148	<1%
Set dressing and design	2%	\$3,190	\$750	\$60,956	<1%
All fees for grooming, image consulting, wardrobe purchase and upkeep	4%	\$1,286	\$300	\$60,096	<1%
Total	91%	\$72,505	\$1,645	\$33,975,258	100%

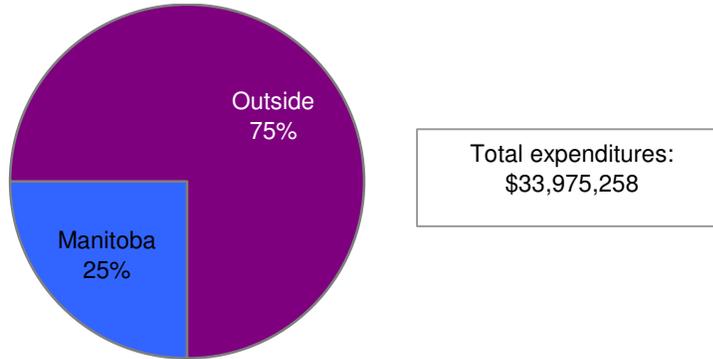
Note: "Frequency" refers to the percentage of service providers who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.

(*) Merchandise purchase or production includes purchases of equipment, such as musical instruments, for resale.



Figure 35 below shows that in 2004 expenditure on outsourced professional services went contrary to the pattern evident elsewhere, in that 75% of this spending went outside Manitoba, and only 25% stayed in the province.

Figure 35 SERVICE PROVIDER PROFESSIONAL SERVICES EXPENDITURES– PERCENT IN MANITOBA





Service provider expenditures – office and other business expenditures

Office and other business related to the music industry also represent a significant portion of service provider expenditures, although at \$19.5 million they amount to less than outsourced professional services do (see Figure 36 below).

In the area of office and other business expenditures, service providers spent most on rent (including utilities) at \$9.1 million. The next largest area of expense is artists' fees, at some \$4.6 million.

Figure 36 SERVICE PROVIDER EXPENDITURES – OFFICE AND OTHER BUSINESS EXPENDITURES

Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Rent including utilities	23%	\$36,108	\$3,624	\$9,143,202	50%
Artist fees	3%	\$133,598	\$4,900	\$4,632,981	23%
Common office expenditures like paper, postage, stationery printing, photo-copying, telephone, fax, courier, long distance, etc.	44%	\$3,677	\$500	\$1,730,267	9%
Marketing costs	9%	\$12,764	\$1,000	\$1,237,006	7%
All insurance costs	20%	\$2,963	\$760	\$643,536	3%
Computers	18%	\$2,552	\$2,000	\$488,629	3%
Miscellaneous	1%	\$35,785	\$400	\$488,056	3%
Bank and other financial service fees including loan interest	14%	\$1,516	\$300	\$221,680	1%
Renovations	<1%	\$50,570	\$50,798	\$215,524	1%
Funding and advance recoupment	1%	\$12,732	\$5,429	\$157,024	1%
Office furniture	11%	\$1,218	\$500	\$149,557	1%
Tapes, CDs, DVDs, records and video purchases	16%	\$826	\$250	\$146,380	1%
Licensing fees	5%	\$1,727	\$300	\$96,008	<1%
Duty, brokerage and import fees	3%	\$1,670	\$299	\$60,837	<1%
Other taxes	1%	\$4,005	\$2,088	\$51,946	<1%
Artist label CD purchases	1%	\$881	\$1080	\$7,330	<1%
Total	93%	\$24,215	\$1,775	\$19,469,963	100%

Note: "Frequency" refers to the percentage of service providers who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.



Expenditures pertaining to venues only

Certain categories of expenditures apply only to venues. These expenditures are detailed in Figure 37 below. The largest area of expense that affected venues only comes under the heading of talent, technical and producer fees, amounting to \$2.9 million (55%) of venue-only expenditures.

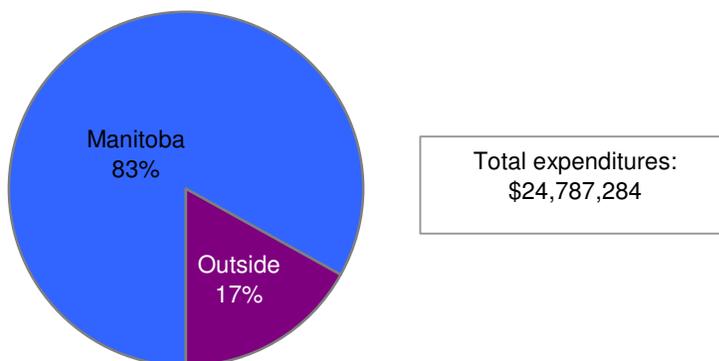
Figure 37 VENUE-ONLY EXPENDITURES

Source of expenditures	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Talent, technical and producer fees	5%	\$55,733	\$12,000	\$2,923,308	55%
On-site security costs	3%	\$28,465	\$6,647	\$971,861	18%
Air, hotel and accommodation fees for live musical performances	3%	\$17,217	\$4,214	\$573,086	11%
Marketing, advertising and promotion specifically related to live musical performances	3%	\$13,573	\$4,583	\$389,415	7%
Backline, sound, lights and other production expenditures excluding labour costs	2%	\$8,995	\$3,000	\$204,946	4%
SOCAN	5%	\$2,874	\$1,000	\$149,242	3%
Entertainment tax	2%	\$6,256	\$6,000	\$105,464	2%
Total	77%	\$63,086	\$12,873	\$5,317,322	100%

Note: "Frequency" refers to the percentage of venues who reported expenditure in the area indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.

As Figure 38 below shows, at 83%, most office and other business expenditures related to the music industry remained in Manitoba, 17% being spent outside of the province.

Figure 38 SERVICE PROVIDER OFFICE EXPENDITURES – PERCENT IN MANITOBA





Sources of financing

This section of the report details various sources of financing drawn upon by artists and service providers. The survey asked respondents whether they had received any funding, such as grants from other organizations or government, or financing through loans or credit.

Grants / government funding

Industry overall

Figure 39, below, shows actual funding grants in Manitoba by a number of agencies. The Manitoba Arts Council and the Canada Council for the Arts each provide over \$1 million, while FACTOR, the Winnipeg Arts Council and Manitoba Film and Sound provide in the range of \$500,000 each.

Based on survey findings, approximately 62% of total funding went to service providers, while 36% went to group artists, and 3% went to solo artists. Some industry members received funding from agencies or government bodies other than shown in Figure 39. These funding recipients tended to be music organizations (including music-related funding bodies and industry associations), festivals, medium-sized venues, and large performance organizations.

Figure 39 INDUSTRY FUNDING – GRANTS / GOVERNMENT SOURCES

Source of funding		Industry total
National funders	The Canada Council for the Arts	\$1,336,100
	FACTOR	\$442,610
	VideoFact and PromoFact	\$128,950
	Musicaction	\$62,182
Manitoba funders	The Manitoba Arts Council	\$1,457,546
	Winnipeg Arts Council	\$572,375
	Manitoba Film and Sound	\$472,951
	MARIA's Market Access Program	\$84,594
Total		\$4,557,308

Distribution of funding

As Figure 40 below shows, approximately 20% of artists and 22% of service providers received funding from grants or government sources. Manitoba Film and Sound funds are the most widely distributed, with 11% of artists and 8% of service providers benefiting. FACTOR and MARIA follow next for artists, while FACTOR and the Manitoba Arts Council are the next most widely distributed for service providers.



Figure 40 INDUSTRY FUNDING – DISTRIBUTION WITHIN MANITOBA

Funder	Percent receiving funding	
	Artists	Service providers
Manitoba Film and Sound	11%	8%
FACTOR	6%	6%
MARIA's Market Access Program	6%	3%
The Manitoba Arts Council	2%	5%
The Canada Council for the Arts	1%	2%
Other agencies	5%	12%
Total	20%	22%

Loans / credit

Industry overall

As Figure 41 below shows, the music industry in Manitoba received nearly \$3.5 million total in loans and credit in 2004. It is noteworthy that, unlike many of the findings reported elsewhere in this study, artists received a higher proportion of this financing than did service providers (56%).

Figure 41 INDUSTRY – LOANS / CREDIT

	Artist total (\$)	Service provider total (\$)	Industry total (\$)
Total	\$1,944,974	\$1,525,321	\$3,470,295

Artist loans and credit

Figure 42 provides information on loans and credit received by artists. The first point to note, as the Frequency column reveals, is that only 13% of artists surveyed reported receiving loans or credit. Most of those who did so obtained their funding from family, friends, or other private sources as lenders. This accounts for about 92% of the \$2 million total reported.



Figure 42 ARTIST – LOANS / CREDIT

Source of loans/credit	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Friends, family, other private sources	8%	\$33,227	\$2,250	\$1,784,280	92%
Financial institution	2%	\$12,406	\$6,750	\$157,377	8%
Scholarship or bursary	1%	\$835	\$1,000	\$3,317	<1%
Total	13%	\$7,225	\$2,942	\$1,944,974	100%

Note: "Frequency" refers to the percentage of artists who reported receiving revenue from the source indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.

Service provider loans and credit

Figure 42 provides information on loans and credit received by service providers. Similar to artists, only 11% of service providers surveyed reported getting loans or credit in 2004. Again, the largest source of loans and credit was family, friends, and other private sources – at 73%, a total value of slightly over \$1.1 million. Financial institutions accounted for the balance (27%).

Figure 43 SERVICE PROVIDER – LOANS / CREDIT

Source of loans/credit	Frequency	Mean (\$)	Median (\$)	Total (\$)	Percent of total
Friends, family, other private sources	9%	\$20,878	\$5,000	\$1,116,238	73%
Financial institution	2%	\$34,570	\$33,333	\$409,083	27%
Scholarship or bursary	---	---	---	---	---
Total	11%	\$23,723	\$5,000	\$1,525,321	100%

Note: "Frequency" refers to the percentage of service providers who reported receiving revenue from the source indicated. Percentages in the Frequency column, when summed, may exceed the total indicated because multiple responses were accepted. Total percentage in the "Percent of total" column may not equal 100% due to rounding. Figures of less than 0.5% are shown as <1%.



Revolving data collection system

Given the benchmark findings of this study, the questions that inevitably arise are, what will the Manitoba music industry look like by this time next year, and how will that knowledge be acquired? Ideally, if the costs of data collection and analysis could be ignored, essential information gathering and processing would naturally and effortlessly be undertaken by an organization with ample human resources available to track the ebb and flow of individual artists, groups, organizations, and businesses into and around the industry. This future is, of course, purely hypothetical. In the alternative, some measures *can* be undertaken to develop increasingly accurate measures over time, in a cost-effective manner. Our recommendations for such a cost-effective revolving data collection system are outlined below.

Use industry tested definition

Past industry studies have persisted in defining the “music industry” in widely differing ways. In any primary research study, the questions researchers must resolve are, “who do we include?” and “where do we stop?” The definitions developed and applied by **kisquared** in the 2005 Manitoba Music Industry Economic Impact Study are clearly laid out in the questionnaire, and capture economic data on the basis of what people in the industry actually *do*, rather than the job titles or labels that might be applied to them. Having already interviewed 446 members of the music industry, we can vouch for the acceptance, legitimacy, and repeatability of this approach.

The present study is also the most comprehensive yet undertaken. The only expansion of the industry definition that would be of any importance would result from including large venues and music CD and DVD retailers. It should be noted that special overtures would be needed to gain enough “buy in” to this research for participation from the largest venues and major music retailers.

Ensure comparability across jurisdictions

The adage that warns against comparing “apples and oranges” is never more apt than when reviewing past music industry studies. If MARIA seeks to compare the 2005 study's findings to those it obtains in the future, it is imperative that industry definitions do not change.

We recommend that this statistically accurate and truly representative study be adopted as an industry-measuring model of “best practice.” Other jurisdictions should be encouraged to use the same definitional approach and measures to ensure comparability. As well, given that a music industry study of this scope has never been conducted nationally, doing so would both provide the Manitoba industry with a better sense of the context within which it operates, and would strengthen the economic voice of the industry in Canada overall.



Count the population

Counting the population of the industry is key to measuring its economic impact. Our original process was to identify as many solo artists, groups and service providers as we could, from as many sources as possible (including the MTS Yellow Pages). This, however, could only be a starting point. Based on the unique and irreducible factor of music-related activity having quantifiable economic impact, our questionnaire design ensured that the data collection process itself would screen potential respondents either “in” or “out” of the industry.

Reproducing this process is crucial for future data collection. The **kisquared** 2005 Economic Impact Analysis of Manitoba's Music Industry study's data collection process entailed asking these essential questions of each and every contact, each and every time an interview was conducted (note that the questions below have been simplified for the sake of this example):

- Are you an artist? [*If yes, we confirmed 1 solo artist-member in the industry.*]
- Are you a member of a group? [*If yes, we confirmed 1 group-member in the industry.*]
- How many other members are in your group? [*If the respondent said “5 of us” we confirmed 4 more individual group members in the industry.*]

The snowball technique resulted in an expansion of the contact database and, ultimately in the industry population count.

- Do you know of any other artists that are in the industry that we may not know about? [*If our respondent gave us two new names that we did not have in our database already, we counted 2 potential solo artist-members in the industry, with membership subject to the screening criteria incorporated into questionnaire.*]
- Do you know of any other groups in the industry that we may not know about? [*If the respondent said yes, and cited 2 other groups, of which we found that we already had one in our database, and one that was not listed, we counted 1 more potential group-artist in the industry.*]
- How many members are in that new group that we do not have in our database? [*If the respondent cited 4 members in the new group, we counted 4 more potential individual members in the industry.*]

No previous study of the music industry that we are familiar with ever asked respondents these population count questions; therefore, previous studies have seriously underestimated the number of participants in the industry overall, in the roles of artist and of service provider both. The example above illustrates how one interview could readily confirm three solo artists, two groups, and a total of 13 individuals as part of the population of the Manitoba music industry, most of whom would have been missed by any other method. This process of asking “snowball” questions, and working directly from a continuously updated database, is the only method of ensuring that an accurate population count is maintained.

Tweak the questionnaire wording

The following specific changes are based on the experience gained in interviews conducted to date and will improve comprehension and accuracy in survey administration:

- Q2 – Ask solo artists if they are registered businesses





- Q8 – Revise wording to read “Managing, booking, or promoting **the career** of an individual artist or group” and “Teaching music **outside of a publicly funded school**”.
- Q11 – Change the screening process so that both solo and group artists get the entire series included in this question, so that data may be combined easily during analysis
- Q12 – Collapse categories and collect combined statistics only. Make use of data from funding sources for more accurate measures.
- Q21 – Split “parking and concession income” response into “parking from live musical performance” and “concession income from food and beverage from live musical performances”. Eliminate “Technical services from live music performances” response (too similar to “managing, booking or promoting an artist”).
- Q25 – Separate out airfare expenses from bus, taxi, and other travel-related expenses.
- Q29 – Revise wording to read “Merchandise **purchase** or production”
- Q31 – Consider creating completely separate series of questions for venues to ensure better questionnaire flow and simplify post-interview analysis.
- Q34 – Ask both solo and group artists if they employ others
- Q34 – Add a question to measure the amount of time (based on FTE) that artists spend on their music careers

Recommended industry update processes

We recommend two ways in which the industry can be measured in future:

The first option is to systematically update the population count database. This will demand regular (preferably daily) attention and input. The approach means one association will “own” the database, with as much of the industry as possible “feeding” the database on an ongoing and systematic manner. Every time an individual is contacted through that association, their data is input into the database. The individual is again asked the series of questions under the “count the population” heading above. Where an individual is found *not* eligible to be counted as part of the Manitoba music industry, that finding should also be recorded.

In addition to individual contact-by-contact updating, organizations and associations should be encouraged to submit their yearly membership updates to the organization that owns the database, so they can be input, sorted and stripped of duplicates. Both individual contacts and entire databases must be fed into the database.

The final step in this process will be to undertake the entire analysis again, using the newly provided population counts (which will alter extrapolated findings accordingly) with the 2005 data set. The analysis process will require sophisticated statistical expertise equivalent to the original analysis, and access to all data and syntax files from the 2005 study.

Advantages

- Will cost approximately half the amount of a comprehensive study involving survey fielding.



- Can confidently be undertaken for up to two years.
- Does not require questionnaire re-design or administration.
- Once the population count is undertaken, the turnaround time for analysis and report updating will be six weeks.

Drawbacks

- Reliability will decrease over time, as no economic data from newly emerging artists and service providers will be measured but only extrapolated.

The second option is to repeat the study entirely, which we recommend should be undertaken once every three years in tandem with ongoing annual population count updates and analyses. If MARIA prefers not to undertake annual population counts and analyses in the interval between repeat studies, we recommend that the repeat study interval be shortened to two years, in view of the rapidity of change in the industry.



Appendix A: Study parameters

Background and objectives

In December 2004, the Manitoba Audio Recording Industry Association (MARIA), with research partners Canadian Heritage, Western Economic Diversification, and Manitoba Culture, Heritage, and Tourism, engaged **kisquared** to organize, conduct, analyze, and report on the economic impact of Manitoba's music industry.

The current Economic Impact Analysis of Manitoba's Music Industry was intended to:

- Provide information about and assess the direct and indirect economic impact of the music industry on Manitoba's economy, including GDP and employment figures.
- Provide recommendations for a revolving data collection system for the industry. This system would allow for regular annual updates of key indicators, the consistency of the data being used to promote the industry from year to year, and the establishment of a regular reporting system to key stakeholders.

Previous studies seeking econometric data about the music industry have fallen short in several ways, because they relied on mail-out surveys (notorious for low response rates, missing data, and unrepresentative respondent profiles), or interviews with selected industry informants (also unrepresentative). Furthermore, no provincial study undertaken to date has directly measured the true population of participants in the music industry. **kisquared's** expertise in economic impact analyses and telephone survey methodology allows the current study to avoid the shortcomings of past research, establish a benchmark for future economic analyses of the music industry in Manitoba, and sets a standard for similar studies in every province in Canada.

Methodology

Steering committee

Although MARIA was primarily responsible for the direction of the Economic Impact Study, several other organizations were identified as research stakeholders from the outset. At the beginning of the study, therefore, a steering committee was formed to supervise and assist in the overall direction of the research to ensure appropriate levels of objectivity, industry expertise, and balance. The following is a list of the steering committee participants (in alphabetical order):

- **Sam Baardman, Executive Director, MARIA.**
- **Mike Benson, Cultural Industries Consultant, Arts Branch, Manitoba Culture, Heritage & Tourism.**
- **Heather Bishop, President, MARIA.**
- **Lynne Buffone, Senior Policy Analyst, Sound Recording Policy and Programs Directorate, Department of Canadian Heritage, Canadian Culture and Heritage.**



- Basil Karahalios, Sales Manager, Polar Bear Productions Ltd.
- David McLeod, Station Manager, NCI Radio Winnipeg.
- Hartley Miller, Project Manager, MARIA Economic Impact Study.
- Gilles Paquin, CEO, Paquin Entertainment Group.
- Lloyd Peterson, Partner, Private Ear Recording Studios.
- Rob Krause, Partner, Smallman Records.
- Sara Stasiuk, Programs and Operations Manager, MARIA.
- Shirley Stimpson, Special Projects Manager, Western Economic Diversification.
- Carole Vivier, CEO, Manitoba Film and Sound.
- Kevin Walters, Program Manager, Manitoba Film and Sound.

Scope and definition of industry

It was agreed by study stakeholders that the study would collect industry data for the year 2004 (January 1 to December 31, 2004), in the belief that respondents overall would best be able to conceive of and provide figures for a standard twelve-month tax year. Differences between organizations as to their fiscal year start/end dates also made the standard year a more reliable unit of measure.

The development of a working definition for Manitoba's music industry was an essential first step in this study, as it informed and confirmed research parameters. MARIA and the steering committee played a crucial role in this step, in close consultation with **kisquared**. For the purpose of measuring and analyzing economic impact, the music industry in Manitoba for this research study was defined as solo artists, groups, and service providers (e.g., individuals, companies, and venues) who have made or spent money related to their musical activities. This definition was operationalized in the data collection instrument (questionnaire) prepared by **kisquared** in consultation with MARIA and the steering committee. As a result, industry actors who did not make or spend any money related to their music activities during the time period covered by the research are excluded from study findings. The process for determining membership in the Manitoba music industry is summarized in Figure 44, below.



Figure 44 HOW RESPONDENTS QUALIFIED FOR SURVEY – CRITERIA

Artist		Service provider
Solo	Group	
<p>Received personal revenue in 2004 from:</p> <p>Writing or performing music, or from royalties for music that s/he personally wrote or performed, either live or recorded; OR</p> <p>Spent money on personal career in Manitoba in 2004; AND</p> <p>Is Manitoba resident (lives in Manitoba and files/would file income tax return in Manitoba)</p>	<p>Belongs to a group that received revenue in 2004 from:</p> <p>Writing or performing music, or from royalties for music anyone in the group had written or performed, either live or recorded; AND</p> <p>Group is EITHER a registered business in Manitoba, OR at least half of group's members live in Manitoba</p>	<p>Received revenue from, OR incurred expenditures for, a music industry related activity in 2004, such as:</p> <p>Managing, booking, or promoting the career of an individual artist or group;</p> <p>Buying talent for a live music venue or festival;</p> <p>Operating a recording studio;</p> <p>Arranging music for, producing, engineering, designing graphics for, manufacturing, or distributing a sound recording;</p> <p>Publishing or licensing music;</p> <p>Manufacturing, selling, servicing, or repairing musical instruments or accessories;</p> <p>Teaching music in other than a public school setting;</p> <p>Technical services (e.g., doing sound or lighting for live music performances)</p> <p>Professional services (e.g., legal or accounting services) to musicians.</p>

- Individuals belonging to **groups** that did not qualify for the survey were given the opportunity to qualify for the survey as solo artists.

The data presented in this report covers the Manitoba music industry with the exception of *major* musical venues and concert halls. A major musical venue or concert hall is defined as an establishment known for regular performances by major international artists, with substantial seating capacity (1,500 or more). The decision to exclude these venues was made when it became clear that data from these venues would be unavailable during the fielding of this study. The following venues are, therefore, not considered in this study:

- MTS Centre in Winnipeg (opened in 2004)
- Winnipeg Arena in Winnipeg (open until November 7, 2004)
- Keystone Centre in Brandon
- Centennial Concert Hall in Winnipeg
- Burton Cummings Theatre for the Performing Arts in Winnipeg

For several reasons, the retail sector was also excluded from this study. The main objections to surveying retail music outlets were: first, past experience has shown that the largest music retailers are unwilling/unable to supply the information needed for the study, specifically revenue breakdowns; and second, some smaller retail outlets inevitably would have been missed during data collection due to size, remote location, or lack of advertising, thus significantly misrepresenting the sector. Such gaps would have weakened the study, the validity of which drove the steering committee and **kisquared**'s decision to exclude retailers.



Sample development

kisquared developed the music industry sample in consultation with MARIA and the steering committee, based on existing industry databases, organizational and guild membership lists, contact directories, and secondary research (for example, Yellow Pages listings), as well as direct input from MARIA, steering committee members and other stakeholders. Important sources used for sample development before fielding began include:

- MARIA Manitoba Music Industry Directory (current annual)
- Manitoba Arts Council – Artists in the Schools Directory; Directory of Touring Performances; Aboriginal Directory; Presenters Directory
- Manitoba Blues Society – membership list
- Manitoba Country Music Association – Musician Directory
- Manitoba Registered Music Teachers Association Inc. – members' directory
- MTS Yellow Pages listings

In addition, “snowball” sampling was used throughout fielding to elicit additional contacts from respondents, in order to increase the size of sample and achieve the most accurate population count possible.

The industry sample was segmented into roles of solo/duo artists, groups, and service providers, based on sample source where possible, supplemented by industry informants and MARIA project personnel. Sub-categories of service provider were established and all categories were confirmed from respondents during interviews. For maximum efficiency, MARIA designated sample into three tiers before fielding commenced, those tiers being “in-person” (interviews of the highest importance), “priority” (interviews of high importance), and “other” (all other contacts).

Counting artists and service providers

Interviewing and sample records were used to produce extrapolations by industry role. Data for all those from which information was gathered, including survey completion (confirmed as part of the industry), survey ineligibility (confirmed as *not* part of the industry), and “snowball” additions was used to produce extrapolations of results to all sample contacts. This enabled an industry count to be calculated, with appropriate breakdowns by industry role. The 2004 Manitoba music industry, using the definition under *Scope and definition of industry* above, consists of 1,082 solo artists, groups, and service providers. For a breakdown of the industry population by artists and service providers, see *Music industry activity* under the *Manitoba music industry profile and economic impact*.

Questionnaire design

The questionnaire for this study was designed as follows:

- **kisquared** and MARIA representatives met to establish study parameters and refine research objectives.

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- **kisquared** met with industry stakeholders and representatives from the steering committee to develop industry definitions and clarify what information would be collected.
- **kisquared**, in consultation with MARIA and the steering committee, designed a comprehensive questionnaire to be administered by telephone to respondents in the Manitoba music industry, gathering respondent information, perceptions, and data deemed essential by steering committee members. The same instrument was used for 10 in-person interviews with top-tier service providers.
- After the research instrument was developed, reviewed, and approved by the steering committee, invitations were sent to 50 solo artists and 50 service providers asking them to attend a consultation session at MARIA's offices. Representatives from both sectors reviewed the questionnaire thoroughly, and offered feedback concerning the terminology used, the relevance and precision of questions, and the overall effectiveness of the questionnaire. Participation from industry players in these consultation sessions was essential to validate the research instrument by promoting focused and informative responses and maximizing potential respondents' willingness to participate in the study.
- A post-consultation session meeting was held between **kisquared** and MARIA to further refine the questionnaire based on the feedback received from artists and service providers.
- MARIA notified all potential respondents in the music industry sample by informing them of the survey (including interview dates), explaining the purposes of the research, and offering recipients an opportunity to telephone a contact at MARIA or **kisquared** for more details about participation in the study. The finalized questionnaire was distributed to **kisquared**'s fielding staff, appropriately briefed as to study objectives and fielding parameters, and interviews were conducted from **kisquared**'s in-house custom-built call center, so that quality control measures such as call monitoring and error checking could be applied throughout fielding. Interviewing began on June 8 and was completed on July 31.

Data collection

kisquared completed 446 surveys, comprising 127 solo artists (of an estimated population of 305), 111 group artists (of an estimated population of 207), and 208 service providers (of an estimated population of 570) from the music industry sample developed for the study. All data collected by **kisquared** interviewers was entered in duplicate and compared for errors to ensure 100% keystroke accuracy. The overall margin of error for the study, based on population estimates, is $\pm 2.73\%$ at the 95% confidence level. When broken down by music industry role, the margins of error are $\pm 3.40\%$ for artists, and $\pm 4.32\%$ for service providers.

Data cleaning, organization and analysis

The collected data were cleaned and reviewed to verify conformance to data collection parameters used by **kisquared**. The data was then re-organized and appropriately recoded in preparation for more comprehensive analysis. Population weighting multipliers were derived to weight data by industry role to match population counts and to account for differing sampling rates by industry role. In the case of open-ended responses, a team of research associates coded the data into relevant categories.

The following statistics were generated for this study:

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- Weighted frequency statistics were run for all questions where appropriate, with the data reported where relevant.
- Weighted descriptive data was calculated for all questions to generate revenue, expense, employment, taxation, and other data. Where respondents were unable/unwilling to provide dollar amounts, data was imputed using the mean of the appropriate industry role (solo artist, group, or service provider for revenue and expense data; and more detailed industry role categories for employment and taxation data).
- Cross-tabulations for frequency and descriptive data were run where appropriate. This normally consisted of breaking down data by industry role and category.

Economic impact analysis – method and rationale

The following summarizes the methodology used for the economic impact portion of this study. The Manitoba Bureau of Statistics' *Manitoba Economic Multipliers, 2004* and *Economic Multipliers Workshop* (Oct. 18, 2004) were particularly useful in providing definitions, multipliers, and supporting methodological information.

The survey instrument for the study gathered very detailed expenditure information from respondents, including the proportion of expenditures spent in Manitoba (only Manitoba-based expenditures can be used to estimate the economic impact on the Manitoba economy). Through industry consultation sessions, it was found that respondents were best able to provide such expenditure data if prompted to report how much they spent in each category during the 2004 taxation year.

Since the data provided by respondents was in the form of their 2004 demand for commodities, Manitoba Commodity Intensity Ratios data (Tables S1 and T1; provided by the Manitoba Bureau of Statistics, which derived the data from Statistics Canada's Input-Output Tables for 1999) were chosen as the most appropriate source of multipliers from which to calculate indirect and induced impacts. This involved matching each survey expense category to one of 727 Manitoba commodities listed in the multiplier tables (in 94 commodity categories), and then summing the expenditure totals by artist and service provider. This technique is much more labour-intensive than attempting to apply a generic "music industry" or "sound recording industry" multiplier to the data, but is much more appropriate in view of the diversity of roles in the industry and the comprehensiveness of this particular study. The specific multipliers for each commodity were applied, with the results for all commodities summed and discussed in the body of the present report.

Given the frequent misuses of economic impact multipliers, their application is best put in a wider context by spelling out some important accompanying assumptions and limitations, as follows:

- Multipliers are simplistic, in that they rely on simple proportionalities – if a \$1 million expenditure is estimated to produce 12 person-years of employment, it is automatically assumed that \$10 million would generate 120 person-years, and that \$100 million would generate 1,200 person-years.
- The most recent economic multipliers (released in 2004) are based on original industry averages from 1999. Changes in the Manitoba economy since then, and changes in the music industry mean that the multipliers provide general estimates only.



- The multipliers used in calculating the data discussed in this report are based on 2004 expenditures in Manitoba by the music industry. While the methodology used in this study can be applied to other studies, attempts to apply specific ratios or multipliers from this report to other industries or economic contexts are not advised.
- The total economic impact discussed in this report applies only to the Manitoba music industry as it has been defined for the present study. Therefore, the economic impact of several major venues, retail music outlets, and industry participants not meeting the eligibility criteria set for this study is not included in results.
- Because the music industry is so diverse, both as to the different activities being undertaken and the variety of types of expenditures, it is possible that some of the indirect effects estimated from the multipliers for some commodities have been captured as direct effects estimated for some other commodities – i.e., double counting. Although it is impossible to estimate the exact amount of double counting, we were able to estimate the outside limit of double counting possible by deducting from the model any expenditures that might reasonably be expected to flow to another member of the industry. Using this methodology, we estimate the maximum impact that the double-counting could conceivably have on the economic impact figures provided in this report is \$12.7 million (GDP at market prices, when direct, indirect, and induced effects are taken into consideration), or about 10% of the total \$125 million figure. It can reasonably be concluded that the figures presented in this study are not significantly inflated due to double counting.

Revolving data collection system – method and rationale

An Annual State of the Industry Report as contemplated by this study's objectives requires the development of a revolving data collection system, identifying key indicators to be updated annually and reported to key industry stakeholders. Recommendations for such a revolving data collection system are based on the information gathered during this study, consisting of revisions to the data collection instrument used, the comprehensive industry database as updated in use, and observations regarding data collection and reporting. The options proposed elsewhere in this report (see *Recommended industry update processes*, under *Revolving data collection system* in the main body of this report) have been further informed by review of fielding record statistics, survey responses, and respondent interactions in the current study, as well as **kisquared's** considerable past expertise in general public and highly targeted special population research.

Reporting

Please note this report uses the term “artist” to refer to solo performers and composers, as well as any collection of two or more individuals pursuing those activities. Where the terms “solo artist” or “group artist” are used, they signify an individual or a collectivity accordingly. “Service provider” is used to refer to an individual, business, organization, or venue that supplies goods and/or services related to the music industry (see Figure 44 under *Scope and definition of industry*, above). Readers should also note that, *unless* otherwise indicated, all figures in the body of this report are weighted to the music industry population size of 1,082.

This report is structured as follows:

- **Introduction** – a brief orientation to the unique strengths and uses of this study.



- **Executive summary** – overview of project objectives, methodology and reporting, with principal findings.
- **Manitoba music industry profile and economic impact** – comprehensive findings regarding size of the industry; employment and wage data; GST revenue; estimates of impact on aggregate demand.
- **Industry revenues and expenditures** – comprehensive findings regarding revenue and expense data by category and industry role; discussion of results.
- **Sources of financing** – comprehensive findings detailing sources of financing data by category and industry role; discussion of results.
- **Revolving data collection system** – key indicators identified, and recommendations for yearly updates and reporting system.
- **Appendices** – **Appendix A:** study parameters (background and objectives, methodology, reporting); **Appendix B:** respondent profile, and **Appendix C:** questionnaire.



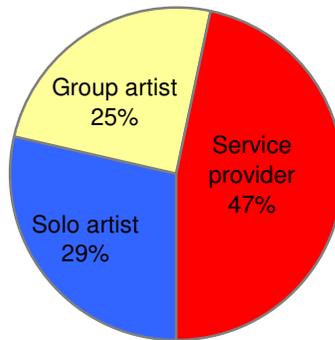
Appendix B: Respondent profile

The following are quantitative findings regarding the respondents who participated in the Manitoba Music Industry Profile and Economic Impact study. The respondent profile presented here is *not* the same as, and should not be confused with, the industry profile presented in previous sections. This is because data collected on individual respondents (such as age, region, and gender) may not necessarily be representative of the wider industry, for which such respondents are spokespersons. Readers should also note that the data presented in this respondent profile section is unweighted.

Role

Figure 45 below displays the proportion of artist respondents versus service providers/venue respondents in this study. Service providers (including venues) constitute slightly less than half of survey respondents (47%), while solo artists are slightly more than one-quarter of survey respondents (29%). Group artists constitute 25% of survey respondents.

Figure 45 **RESPONDENT ROLE**



Region

Figure 46 below shows the regional breakdown of respondents in this survey. Roughly four-fifths of respondents were from the City of Winnipeg. Almost half are located in two specific regions in Winnipeg: Other inner city (26%), and Southwest Winnipeg / Tuxedo / Fort Garry (22%). Businesses and venues are more likely to be located in the downtown area than are artists. Thirty-six percent of artists are located downtown or in the surrounding inner city





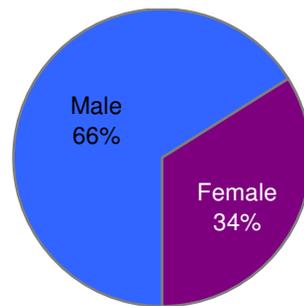
Figure 46 RESPONDENTS BY REGION

	Percent
Winnipeg – Downtown	11%
Winnipeg – Other inner city	26%
Winnipeg – SE / St. Vital	7%
Winnipeg – NE / EK / Transcona	6%
Winnipeg – North / Garden City	4%
Winnipeg – West / St. James	4%
Winnipeg – Southwest / Tuxedo / Fort Garry	22%
Brandon	3%
Southwest Manitoba	5%
South-Central Manitoba	5%
East Manitoba	5%
Interlake and Parklands	3%
Northern Manitoba	1%
Total	100%

Gender

Figure 47 below shows the breakdown of respondents by gender overall. Roughly two-thirds (66%) of survey respondents overall are male and one-third (34%) are female. However, when analyzed by industry role, the gender breakdown differs considerably: amongst artists, the proportions are 73% male to 27% female, whereas amongst service providers, the ratio is 58% male to 42% female. Note that this finding applies to respondents only and may not hold true for the industry as a whole.

Figure 47 RESPONDENT GENDER OVERALL





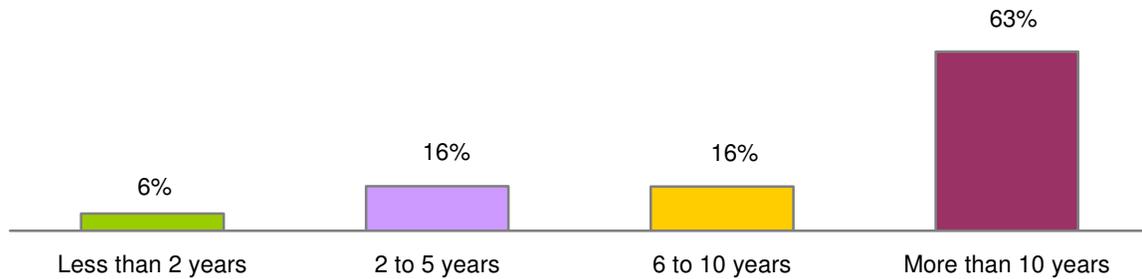
Age

The average age of respondents in the survey was 40 years (for solo artists), 38 years (for group artists), and 46 years (for service providers).

Years in music industry

Figure 48 below indicates the breakdown of survey respondents by number of years they have been in the music industry. Almost two-thirds of survey respondents (64%) have been in the industry for more than ten years. Respondents representing service providers are likelier than artists to have had more than 10 years' experience.

Figure 48 RESPONDENTS' NUMBER OF YEARS IN THE INDUSTRY



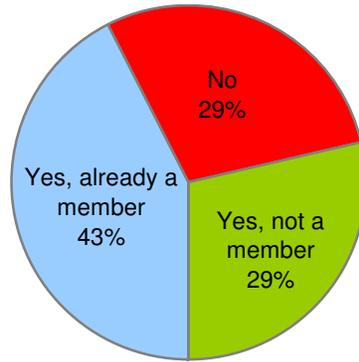
Respondent interest in survey findings

This study collected data on whether respondents wanted to be added to MARIA's email list so that they could receive the survey results. Figure 49 below shows the high level of interest in survey findings: 71% wanted to receive the survey results, by way of MARIA's email list (more than half being MARIA members already), whereas 29% of the respondents did not wish to be so added.





Figure 49 RESPONDENTS WILLING TO GO ON MARIA'S EMAIL LIST TO RECEIVE STUDY RESULTS





Appendix C: Questionnaire

N = 400

INTERVIEWER: _ _ _ _ SURVEY # _ _ _ _

SURVEY ID# _ _ _ _ _

GENDER Male 1 Female 2

SECTOR: Artist 1 Group 2 Business / venue 3

ARTIST INDIVIDUAL NAME: _____

ARTIST GROUP NAME: _____

BUSINESS / VENUE NAME: _____

PHONE: (2 0 4) _ _ _ _ - _ _ _ _ _ EXT: _ _ _ _ _

May I please speak to _____?

ANSWERING MACHINE MESSAGE: Hello, I'm calling on behalf of MARIA ("mah-ree-ah"), the Manitoba Audio Recording Industry Association and The Department of Canadian Heritage about the survey. Your name was given to us as an active participant in the Manitoba music industry. I would really appreciate it if you could return my call at 989-8002 or toll free at 1-888-950-8002. Also, let me assure you I am conducting research on behalf of MARIA and The Department of Canadian Heritage. This is not a sales call. All those that agree to participate are eligible to win an iPod as well. I look forward to speaking with you soon. And again, the number is 989-8002, and the toll free number is 1-888-950-8002. Thanks!

Hello, my name is _____ and I'm calling on behalf of MARIA, the Manitoba Audio Recording Industry Association and The Department of Canadian Heritage. Have you heard about this survey? We would like to discuss Manitoba's music industry with people *in* the industry, and are looking to speak to someone who can describe their own, their group's, or their business's revenue and expenses in connection with the music industry. Would that person be you? **IF NO, ASK WHO WOULD BE APPROPRIATE RESPONDENT AND RECORD CONTACT INFO.**

MENTION IPOD CONTEST IF NECESSARY. IF YES... This survey should only take 20 minutes of your time – do you have time right now to complete this survey? **IF NOT, ASK IF THERE IS A BETTER TIME AND ARRANGE TO CALL BACK**





Before we begin I would just like to assure you this information will never be shared with any government agency. All the information gathered through this study is strictly confidential. We guarantee your anonymity. We will be asking questions about your revenue and expenses, but no individual or business names will be attached to the research findings, and the report submitted to MARIA will only discuss the results of the survey as a whole.

Q1 [GROUP QUALIFICATION] Do you belong to a music *group* that received any revenue in 2004 from writing or performing music, or from royalties for music that anyone in the group has written or performed, either live or recorded? **IF YES, ASK:** And that group's name is? _____

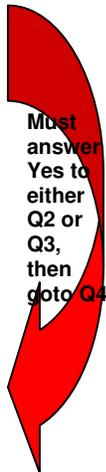
- Yes1
- No.....2 **GO TO Q6**
- Don't know/refused9 **TERMINATE**

Q2 [GROUP QUALIFICATION] Is your music group a registered business in Manitoba?

- Yes1
- No.....2
- Don't know / refused9

Q3 [GROUP QUALIFICATION] Do at least half the members of your group live in Manitoba?

- Yes1
- No.....2
- Don't know / refused9



IF NO IN BOTH Q2 AND Q3, GO TO Q6

Q4 And how many members play in your group including yourself?

_ _ _

Q5 [GROUP QUALIFICATION] Are you the best person to discuss your group's revenue and expenses in connection with the music industry, or could you give me the name and contact number of someone else who would be better able to do that? **IF YES, GO TO Q15. IF NO, ASK NEXT QUESTION**

Group name _____

Name _____ Ph: _____ - _____





Q6 [ARTIST QUALIFICATION] Did you receive any personal revenue within the past year, that is 2004, from writing or performing music or from royalties for music that you have personally written or performed, either live or recorded, that is to say, as a solo performer, not as a group member (or member of _____ group)?

- Yes1 GO TO Q9
- No.....2
- Don't know / refused9

Q7 What about expenses related to your personal music career. Did you spend any money on your personal music career here in Manitoba in 2004?

- Yes1 GO TO Q9
- No.....2 TERMINATE
- Don't know / refused9 TERMINATE

Q8 [SERVICE PROVIDER QUALIFICATION] Have you received any revenue in 2004 from any other music industry related activity, such as: Managing, booking, or promoting an individual artist or group? PAUSE Buying talent for a live music venue or festival? PAUSE Operating a recording studio? PAUSE Arranging music for, producing, engineering, designing graphics for, manufacturing, or distributing a sound recording? PAUSE Publishing or licensing music? PAUSE Manufacturing, selling, servicing, or repairing musical instruments or accessories? PAUSE Teaching music? PAUSE Technical services like doing sound or lighting for live music performances? PAUSE Or professional services such as legal or accounting services to musicians? IF YES DURING ANY PAUSE, GO ON TO NEXT QUESTION.

- Yes1 GO TO Q21
- No, and no expenses either2 TERMINATE
- No income, but yes I had expenses.....3 GO TO Q25
- Don't know/refused9 TERMINATE

Q9 [ARTIST QUALIFICATION] Do you consider yourself a Manitoba resident, that is, you live in Manitoba and file or would file your income tax return here?

- Yes1
- No.....2 TERMINATE
- Don't know / refused9 TERMINATE



ARTIST REVENUE

As this is an economic impact study, I'm going to ask you questions now about any money *you* made making music, and then about money from managing or providing services for other musicians, and then about money from grants or loans.

Q10 A Not including any grants, did *you* receive any revenue in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And approximately how much gross revenue did you receive from that in 2004?

- Live performance fees?.....01 \$ ____, ____, ____
- Selling promotional merchandise?.....02 \$ ____, ____, ____
- Sales from selling or distributing
CDs, tapes, or other recordings
of your music?.....03 \$ ____, ____, ____
- An advance on a record or
distribution deal?.....04 \$ ____, ____, ____
- Royalties from your record sales?.....05 \$ ____, ____, ____
- Payments from performing rights
organizations such as SOCAN ("so-can"),
B.M.I. or ASCAP ("ass-kap")?.....06 \$ ____, ____, ____
- Mechanical royalties?07 \$ ____, ____, ____
- Commissions or fees for
composing music or lyrics
or other publishing revenue?.....08 \$ ____, ____, ____
- Synch ("sink") fees and licensing fees?09 \$ ____, ____, ____
- A per diem or salary from your
record label or group?10 \$ ____, ____, ____
- Don't know88
- Refused99



Q11 A Did you receive any revenue in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And what was the gross revenue you received from that in 2004?

- Managing, booking, or promoting an artist other than yourself?.....01 \$ ____, ____, ____
- Commissions on promotional merchandise for another artist?.....02 \$ ____, ____, ____
- Buying talent for a live music venue or festival?03 \$ ____, ____, ____
- Technical services like doing sound or lighting for live music performances?04 \$ ____, ____, ____
- Arranging other artists' music?.....05 \$ ____, ____, ____
- Operating a sound recording studio?06 \$ ____, ____, ____
- Engineering , producing, manufacturing or distribution another artist's sound recording?.....07 \$ ____, ____, ____
- Publishing or licensing another artist's music?08 \$ ____, ____, ____
- Mfr'ing, renting, selling, repairing or servicing music instruments or accessories?09 \$ ____, ____, ____
- Teaching music?10 \$ ____, ____, ____
- Professional services, like website design, legal or accounting services?11 \$ ____, ____, ____
- Don't know88
- Refused99

Q12 A Did you receive any *funding* in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And what was the total amount of that funding in 2004?

- FACTOR ("factor")01 \$ ____, ____, ____
- Musicaction? ("mew-zeek-ax-ee-on")02 \$ ____, ____, ____
- The Manitoba Arts Council?.....03 \$ ____, ____, ____
- MARIA's Market Access Program?.....04 \$ ____, ____, ____
- Manitoba Film and Sound?.....05 \$ ____, ____, ____
- The Canada Council for the Arts?06 \$ ____, ____, ____
- Any other agency?07 \$ ____, ____, ____
- Don't know88
- Refused99





Q13 A Did you receive any music industry related *loans or credit* in 2004 from ...
READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK: And how much did you receive from that in 2004?

- A financial institution?.....1 \$ ____, ____, ____
- Money from friends, family or other private sources?.....2 \$ ____, ____, ____
- A scholarship or bursary?3 \$ ____, ____, ____
- Don't know8
- Refused9

Q14 A So far you have told me that in 2004 you received _____ from the music industry. Is there any revenue that we've missed?

- Yes (\$ ____ from _____)...1
- Yes (\$ ____ from _____)...2
- No.....3

GO TO Q25





GROUP REVENUE

As this is an economic impact study, I'm going to ask you questions about money your group made making music, and then about money from managing or producing for other musicians or groups, and then about money from grants or loans.

Q15 **G** Did your group receive any revenue in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN, ASK:** And how much gross revenue did your group receive from that in 2004?

- Live performance fees?.....01 \$ ____, ____, ____
- Selling promotional merchandise?.....02 \$ ____, ____, ____
- Sales from selling or distributing
CDs, tapes, or other recordings
of your music?.....03 \$ ____, ____, ____
- An advance on a record or
distribution deal?.....04 \$ ____, ____, ____
- Royalties from your record sales?.....05 \$ ____, ____, ____
- Payments from performing rights
organizations such as SOCAN ("so-can"),
B.M.I. or ASCAP ("ass-kap")?.....06 \$ ____, ____, ____
- Mechanical royalties?07 \$ ____, ____, ____
- Commissions or fees for
composing music or lyrics
or other publishing revenue?.....08 \$ ____, ____, ____
- Synch ("sink") fees and licensing fees?09 \$ ____, ____, ____
- Don't know88
- Refused99

Q16 **G** Did your group receive any money in 2004 from promoting, distributing or selling music for, or providing any other professional music industry services to, other artists or groups?

- Yes1
- No.....2 **GO TO Q18**
- Don't know / refused9 **GO TO Q18**

Q17 **G** And how much would you estimate your group received from servicing other artists or groups?

\$ ____, ____, ____





Q18 G Did your group receive any *funding* in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And what was the total amount of funding in 2004?

- FACTOR (“factor”)01 \$ ____, ____, ____
- Musicaction? (“mew-zeek-ax-ee-on”)02 \$ ____, ____, ____
- The Manitoba Arts Council?.....03 \$ ____, ____, ____
- MARIA’s Market Access Program?.....04 \$ ____, ____, ____
- Manitoba Film and Sound?.....05 \$ ____, ____, ____
- The Canada Council for the Arts?06 \$ ____, ____, ____
- Any other agency?07 \$ ____, ____, ____
- Don’t know88
- Refused99

Q19 G Not including any funding you might have received, did your group receive any music industry related *loans or credit* in 2004 from ... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And how much did your group receive from that in 2004?

- A financial institution?.....1 \$ ____, ____, ____
- Money from friends, family or other private sources?.....2 \$ ____, ____, ____
- A scholarship or bursary?3 \$ ____, ____, ____
- Don’t know8
- Refused9

Q20 G So far you have told me that in 2004 your group received _____ from the music industry. Is there any revenue that we’ve missed?

- Yes (\$ ____ from _____) ...1
- Yes (\$ ____ from _____) ...2
- No.....3

GO TO Q25



SERVICE PROVIDER REVENUE

As this is an economic impact study, I'm going to ask you questions about money you or your business made in providing services to musicians in the industry, and money from grants or loans in 2004.

Q21 **SP** Did your business receive any revenue in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And what was the total revenue your business received from that in 2004?

Managing, booking, or promoting an artist?.....01	\$___, ____, ___
Commissions on promotional merchandise?.....02	\$___, ____, ___
Buying talent for a live music venue or festival?03	\$___, ____, ___
Technical services like sound or lighting for live music performances?04	\$___, ____, ___
Arranging music?.....05	\$___, ____, ___
Operating a sound recording studio?06	\$___, ____, ___
Engineering , producing, manufacturing or distribution a sound recording?07	\$___, ____, ___
Publishing or licensing music?08	\$___, ____, ___
Mfr'ing, renting, selling, repairing or servicing music instruments or accessories?09	\$___, ____, ___
Teaching music?10	\$___, ____, ___
Professional services, like website design, legal or accounting services?11	\$___, ____, ___
Ticket sales including the amusement tax for live music?.....12	\$___, ____, ___
Rental income from your facility?13	\$___, ____, ___
Parking and concession income from live music performances?.....14	\$___, ____, ___
Technical services from live music performances?.....15	\$___, ____, ___
Sponsorship for live music performances?.....16	\$___, ____, ___
Agency fees?.....17	\$___, ____, ___
Building improvement fees?.....18	\$___, ____, ___
Don't know88	
Refused99	





Q22 SP Did your business receive any *funding* in 2004 from... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And what was the total amount of that funding in 2004?

- FACTOR ("factor")01 \$ __ __, __ __ __, __ __ __
- Musicaction? ("mew-zeek-ax-ee-on")02 \$ __ __, __ __ __, __ __ __
- The Manitoba Arts Council?.....03 \$ __ __, __ __ __, __ __ __
- MARIA's Market Access Program?.....04 \$ __ __, __ __ __, __ __ __
- Manitoba Film and Sound?.....05 \$ __ __, __ __ __, __ __ __
- The Canada Council for the Arts?06 \$ __ __, __ __ __, __ __ __
- Any other agency?07 \$ __ __, __ __ __, __ __ __
- Don't know88
- Refused99

Q23 SP Did your business receive any music industry related *loans or credit* in 2004 from ... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And how much did your business receive from that in 2004?

- A financial institution?.....1 \$ __ __, __ __ __, __ __ __
- Money from friends, family or other private sources?.....2 \$ __ __, __ __ __, __ __ __
- A scholarship or bursary3 \$ __ __, __ __ __, __ __ __
- Don't know8
- Refused9

Q24 SP So far you have told me that in 2004 you or your business received _____ from the music industry. Is there any revenue that we've missed?

- Yes (\$ __ __ __ __ from _____) ...1
- Yes (\$ __ __ __ __ from _____) ...2
- No.....3



EXPENSES

Now that we have covered revenue, I'd like to ask you some questions concerning your *expenses* related to the music industry for the year 2004. These are grouped as costs for: equipment and gear, touring, professional services, and office or site-related costs.

Q25 Could you please tell me whether you spent anything on *equipment* costs, whether for purchases, rental or leasing, for... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And how much did you spend on that?

- Musical instruments and accessories?01 \$ ____, ____, ____
- Specialized hardware and software,
including interfaces, controllers, etc.?02 \$ ____, ____, ____
- DJ equipment and accessories, such as CD
or MP3 players, turntables, effects, etc.? ...03 \$ ____, ____, ____
- Recording equipment and accessories,
including recorders, mixers, etc.?04 \$ ____, ____, ____
- Live sound reinforcement and P.A.
or lighting equipment and accessories?05 \$ ____, ____, ____
- Photographic equipment?.....06 \$ ____, ____, ____
- CD duplication machinery?07 \$ ____, ____, ____
- Equipment and musical instrument
repair and maintenance?08 \$ ____, ____, ____
- Don't know88
- Refused99

Q26 Of all these costs, approximately how much was spent in Manitoba or with a Manitoba supplier? **ENTER 9 SERIES FOR DK/R.**

\$ ____, ____, ____



Q27 And could you please tell me whether you spent anything on music industry-related *travel or transportation* costs such as... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And how much did you spend on that?

	Total spent
Passenger or cargo vehicle or trailer purchase, rental, or leasing?..... 01	\$ __ __, __ __ __, __ __ __
Vehicle operation, repair and maintenance, including registration, insurance, gas and oil? 02	\$ __ __, __ __ __, __ __ __
Airfare, bus, taxi, and other travel fares?..... 03	\$ __ __, __ __ __, __ __ __
Hotel, motel or other accommodations? 04	\$ __ __, __ __ __, __ __ __
Parking charges and toll fees 05	\$ __ __, __ __ __, __ __ __
Conference and showcase fees?..... 06	\$ __ __, __ __ __, __ __ __
Out of town food and hospitality? 07	\$ __ __, __ __ __, __ __ __
Visa or work permit fees?..... 08	\$ __ __, __ __ __, __ __ __
Don't know 88	
Refused 99	

Q28 And of all these travel and transportation costs, approximately how much was spent in Manitoba or with a Manitoba supplier? **ENTER 9 SERIES FOR DK/R.**

\$ __ __, __ __ __, __ __ __



Q29 And could you please tell me whether you spent anything on *outsourced professional services* related to the music industry, such as... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And how much did you spend on that?

- CD / DVD / tape recording or production?01 \$ ____, ____, ____
- CD / DVD / tape manufacturing?02 \$ ____, ____, ____
- Session players, sidemen, roadies,
lighting / sound / merchandise or
other crew?.....03 \$ ____, ____, ____
- Set dressing and design?04 \$ ____, ____, ____
- All fees for grooming, image consulting,
wardrobe purchase and upkeep?05 \$ ____, ____, ____
- Fees for advertising, promotion, and
publicity?.....06 \$ ____, ____, ____
- Agency fees and management fees?07 \$ ____, ____, ____
- Fees for graphics, web design
video, or photography?08 \$ ____, ____, ____
- Merchandise production?.....09 \$ ____, ____, ____
- Vocal or instrumental coaching and
other professional development fees?.....10 \$ ____, ____, ____
- Legal and accounting services?11 \$ ____, ____, ____
- Sheet music and music books?12 \$ ____, ____, ____
- Union or other trade association dues?13 \$ ____, ____, ____
- Other outsourced or contract professional
services from anyone who is not a
full-time employee of your company?.....14 \$ ____, ____, ____
- Non-travel related accommodation and
hospitality?15 \$ ____, ____, ____
- Don't know88
- Refused99

Q30 Of all these professional service costs, approximately how much was spent in Manitoba/ or with a Manitoba supplier? **ENTER 9 SERIES FOR DK/R.**

\$ ____, ____, ____





Q31 And could you please tell me whether you spent anything on *office and other business* expenses related to the music industry, such as... **READ LIST AND CIRCLE ALL THAT APPLY. THEN ASK:** And how much did you spend on that?

- Office furniture?.....01 \$ ____, ____, ____
- Computers?02 \$ ____, ____, ____
- Common office expenses like paper, postage, stationery printing, photo-copying, telephone, fax, courier, long distance, etc?.....03 \$ ____, ____, ____
- Rent including utilities?04 \$ ____, ____, ____
- Tapes, CDs, DVDs, records and video purchases?05 \$ ____, ____, ____
- Marketing costs?06 \$ ____, ____, ____
- Duty, brokerage and import fees?.....07 \$ ____, ____, ____
- All insurance costs?08 \$ ____, ____, ____
- Artist label CD purchases?.....09 \$ ____, ____, ____
- Bank and other financial service fees including loan interest?10 \$ ____, ____, ____
- Funding and advance recoupment?.....11 \$ ____, ____, ____
- Artist fees?12 \$ ____, ____, ____
- Licensing fees?.....13 \$ ____, ____, ____

VENUE FOLKS ONLY:

- Talent, technical and producer fees?.....14 \$ ____, ____, ____
- Air, hotel and accommodation fees for live musical performances?.....15 \$ ____, ____, ____
- Marketing, advertising and promotion specifically related to live musical performances?16 \$ ____, ____, ____
- Backline, sound, lights and other production expenses excluding labour costs?17 \$ ____, ____, ____
- On-site security costs?18 \$ ____, ____, ____
- SOCAN?19 \$ ____, ____, ____
- Entertainment tax?20 \$ ____, ____, ____
- Don't know88
- Refused99





Q32 Of all these costs, approximately how much was spent in Manitoba or with a Manitoba supplier? **ENTER 9 SERIES FOR DK/R.**

\$____, ____ , ____

Q33 So far you have told me that you have spent _____ in 2004 in connection with the music industry. Are there any expenses that we've missed?

Yes (\$____ for _____).....1

Yes (\$____ for _____).....2

No.....3

Q34 **DO NOT ASK SOLO ARTISTS. ASK ONLY OF GROUPS WITH REGISTERED BUSINESSES (SEE Q2) / SERVICE PROVIDERS AND VENUES** ...And now, how many employees, including yourself if you are on payroll, did your business employ on a full-time equivalent basis in the past year? **THEN ASK:** What would you say is the total wages and salaries your business paid for that employee or employees? **THEN ASK:** And what percentage of that workforce would you say is related to music? **ENTER 9 SERIES FOR DK / REF OR IF NOT APPLICABLE. FTE IS CALCULATED BASED ON 30 HOURS PER WEEK.**

Number of FTE employees

Total wages and salaries

% related to music

\$____, ____ , ____

____ %

Q35 And what, if any, was your GST remittance OR refund in 2004?

Remittance1 \$____, ____ , ____

Refund.....2 \$____, ____ , ____

Don't know / refused9

Q36 What are the first three letters of your postal code?

Q37 When considering your overall involvement in the Manitoba Music Industry, what *one* musical genre would you say you are most involved in?

Q38 How long have you personally been an active participant in the Manitoba music industry?

Less than 2 years.....1

Two to 5 years.....2

6 to 10 years.....3

More than 10 years.....4



Q39 In what year were you born? 1 9 ___ ___

Q40 **[GROUP SURVEY RESPONDENTS ONLY]** And, so that our count is complete and correct, could you also please give me the names and contact numbers of the other members of your group? You said earlier that there were ___ other members in your group (SEE Q4).

Name _____ Ph: _____ - _____

Q41 Since one of the goals of this study is to measure the total size of the Manitoba music industry, could you please give us the names and contact numbers of any new or emerging artists, groups, or companies providing services to the music industry that you think should be included in this study that we may not have heard about? **CHECK DATABASE AND ENTER ANY CONTACTS NOT ALREADY LISTED.**

Name _____ Ph: _____ - _____

Q42 Would you like to be added to MARIA's email list to receive the survey results?

Yes, already member (CHECK DETAILS).....1

Yes, not a member (CHECK DETAILS AND
ADD IN E-MAIL ADDRESS OR
SNAIL MAIL).....2

No.....3

MENTION IPOD CONTEST AGAIN. ENSURE PARTICIPANT WISHES TO BE ENTERED IN TO THE CONTEST. That concludes this survey, thank you very much for taking the time to participate in this study. My supervisor may phone you just to verify that you did participate.

