Re:Venues: A Case for Hamilton's Live Music Industry

FINAL REPORT

May 2020

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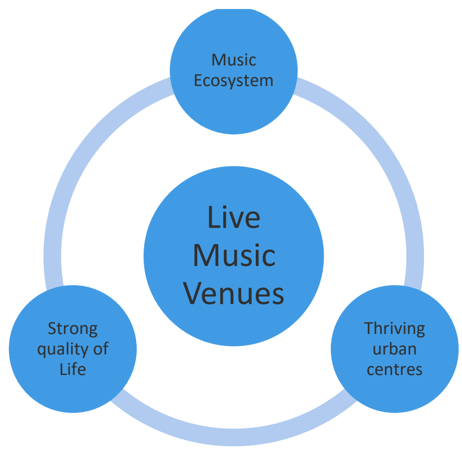
Executive Summary

Live music venues are critical to a strong and sustainable music ecosystem in Hamilton. Venues are the foundation of the industry, providing employment, artistic opportunity, and economic growth.

Venues contribute to strong careers for artists, by providing a platform for them to connect to the industry and build new audiences. The success of artists helps to grow the broader music industry in the city. And a stronger economy and healthy businesses help to create a good quality of life in neighbourhoods and the city as a whole. As visualized in the graphic below, these impacts are cyclical, one supporting and leading into another, of which live music venues are at the heart.



Music Ecosystem

Venues do not just support musicians. There is a whole industry that is created around artists, be it positions at the venues, or in the broader music industry as promoters, recording labels, studios, festivals, etc.

Venues support the growth of artists' careers, by providing a platform for discoverability and audience growth. Subsequently, the success of artists increases the number of jobs in the music industry in Hamilton—more artists, more jobs for promoters, sound engineers, recording studios, etc. Conversations with artists and venues alike revealed a close-knit and supportive music sector, one that recommends musicians for certain opportunities and develops events specifically to profile local musicians. This leads to a lot of comradery and mutual respect among all the players.

The uniqueness of Hamilton is that there is not a single sound; rather, there are many different artists, performing in many different genres, with "everyone is putting their own spin and twist on things that haven't been heard before." This diversity necessitates venues of different sizes and genre specializations. In a typical week, Hamilton music venues have acts 1.6 days out of seven, and on a typical show day, venues have 1.5 acts. Effectively, venues feature live music an average of 59 days a year (usually held on Fridays or Saturdays).

Nordicity

Strong Quality of Life

The impact of venues extends beyond the artists and the resulting employment opportunities. It also creates spaces that bring people in a city together, providing rich artistic experiences, and giving people a sense of identity and belonging in their city.

Good music, strong marketing, and quality sound brings audiences to shows, who subsequently spend money at restaurants near-by, supporting the growth of thriving neighbourhoods, which in turn contributes to the quality of life for those who live in the city. A city with a good quality of life attracts more people (aka audiences and artists), starting the cycle over again.

Density creates a vibrancy in a neighbourhood, bringing people to engage with the area, and patron the businesses there. An added bonus of increased foot traffic is safety- that when there are lots of people around, there are more people to watch out for one another, increasing the quality of life in a neighbourhood. Not only does this impact the quality of life for people who live in the city, but also attracts and retains artists, and artist workers- vital components of a successful music ecosystem, as discussed in the preceding sections.

Thriving Urban Centre

By supporting the success of artists, music venues also support the economic growth of other businesses/sectors in the city. Multiple entertainment offerings in close proximity create a destination for people from across the city, drawing audiences and creating an identify around a certain area, and building spill over effects from one business to another.

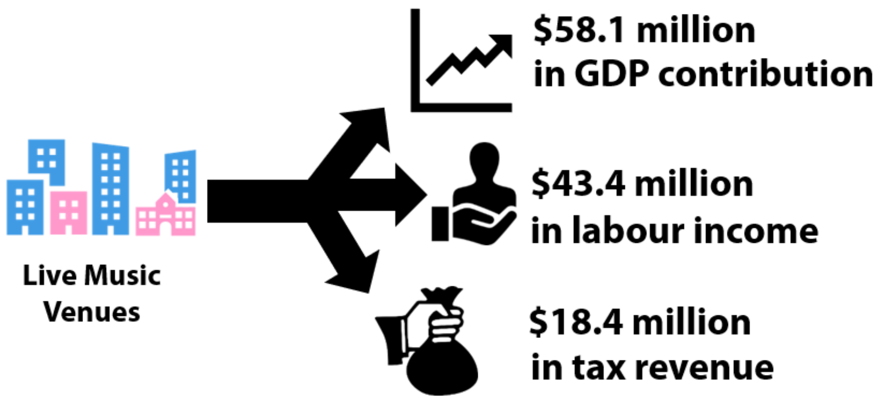
Wards 1, 2 and 3 in Hamilton currently have the highest concentration of venues, and also have the highest concentration of cultural workers. This shows that arts and cultural workers in Hamilton tend to live in close proximity to cultural experiences. Increased density of cultural spaces (i.e. venues) appears to create neighbourhoods that creative people want to live in.

Live music venues also contribute to the economic health of a city through employment. Live music venues are supported mainly through “gig” positions, which while not full time positions, do allow for many more people to have paid work (e.g. young people wanting to get experience, artists who want additional income, etc.). Moreover, a quarter of the venues reported being unionized. In terms of wages, contract workers make $20 per hour, which is 43% above the provincial minimum wage of $14/hour.

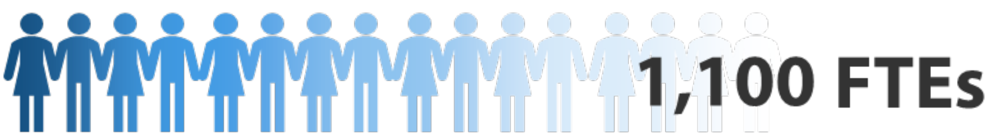
Economic Impact of Live Music Venues

Beyond their vital role in supporting a thriving music industry and quality of life, there are economic impacts of the live music industry. This economic impact refers to the GDP, jobs and labour income generated by companies operating in the live music venue industry in Hamilton.

Music venues in Hamilton generated an estimated $62.7 million in gross revenue in 2018, with an operating margin of 4%, or $2.6 million. The industry’s expenditures generate several economic impacts on Ontario’s economy, which can be expressed in terms of GDP, labour income, employment and taxes. These impacts are a combination of direct, indirect and induced impacts.



In terms of employment, venues in Hamilton supported 1,100 FTEs in total, and employs 820 FTEs directly. For an industry such as live music, with so many contract/short term employees, FTEs are the clearest way to articular the industry labour impact. FTEs provide a standard unit so that full-time, part-time, contract and freelance workers can all be combined to calculate a complete impact.



Tourism

In addition to the impacts discussed above, music events, and even a city's music ecosystem, can be a draw for tourism. Music tourism is most associated with well-known touring acts, as fans will often travel to a major centre to consume the live experience when a tour passes through. Similarly, some music ecosystems represent a tourist destination in their own right, most often in cities that are regarded as a hotbed for live music in a particular genre such as Nashville or New Orleans.

Naturally, some of the revenue earned through music venues' day-to-day operations includes visitor spending, so an analysis of the economic impact of tourism necessarily focuses on the portion of visitor spending that occurs outside of music venues. Such visitor spending may include travel (e.g., car rentals, transit, Canadian fares, etc.), accommodation (e.g., hotels), food and drink (e.g., restaurant meals, groceries, etc.), and other expenditures that may occur during a visit to Hamilton.

The following table states the economic impact on the provincial economy of 1,000 music visitors to Hamilton, by origin.

Economic Impact (per 1000 tourists)	Ontario	Canada (excl. Ontario)	US	Overseas
GDP – Direct	$105,000	$365,000	$220,000	$794,000
GDP -- Total	**$194,000**	**$682,000**	**$412,000**	**$1,516,000**
Employment (FTEs) - Direct	2	5	3	10
Employment (FTEs) -- Total	**2**	**8**	**5**	**16**
Tax Impact – Federal	$34,000	$114,000	$68,000	$253,000

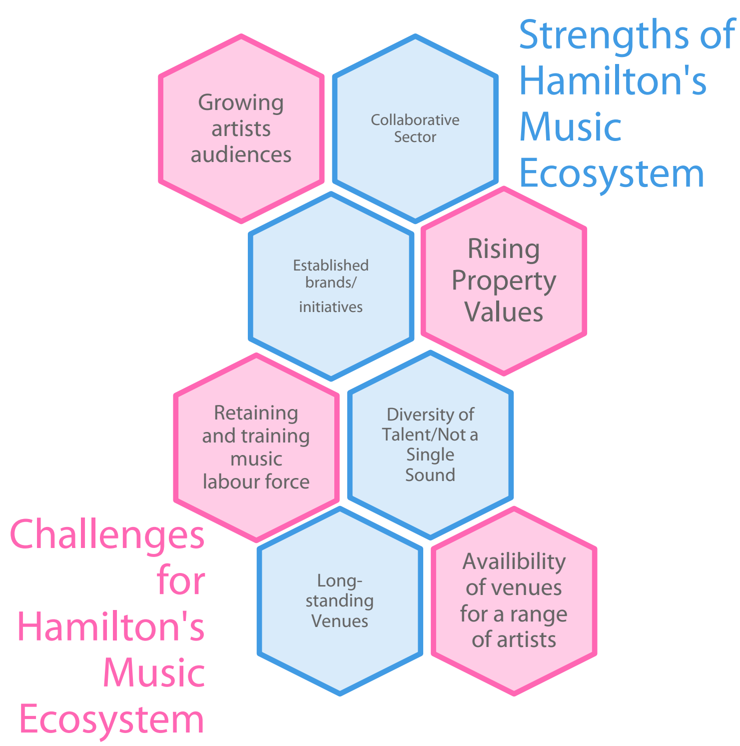
Economic Impact (per 1000 tourists)	Ontario	Canada (excl. Ontario)	US	Overseas
Tax Impact –Provincial	$31,000	$99,000	$60,000	$213,000
Tax Impact –Municipal	$8,000	$29,000	$17,000	$57,000
Tax Impact –Total	**$73,000**	**$242,000**	**$146,000**	**$523,000**

Source: MTCS spending data for visitors to Festivals and Fairs, 2016; MTCS Tourism Regional Economic Impact Model (TREIM)

The key takeaway from the analysis presented above is that (a) a thriving local music scene can be a draw for tourism, and (b) tourism can contribute a significant additional impact to the Ontario economy (above and beyond the operational impact of music venues themselves). That said, there is one additional dimension that factors into the strategic value of these observations, which is: precisely how should the music ecosystem be leveraged to achieve a greater economic impact.

Strengths and Challenges for Hamilton's Music Ecosystem

The preceding sections have articulated the vital role that venues play in a healthy and thriving music ecosystem. But in order to ensure the longevity and growth of the music sector in Hamilton, and to continue to bring these economic impacts to the city, there are several challenges that need to be addressed. But, for the **challenges**, there are also many **strengths** for which the sector can capitalize on.



Potential Areas of Support

There are some potential avenues of action that would help to support venues, address their major areas of concern, and ensure their continued impact in Hamilton, including:

- **Supporting Real Estate** – With increasing property values in the city, paying rent or a mortgage will be a growing expense for venues. There are opportunities to support venues and/or the music ecosystem in this way; be it city owned venues, tax breaks for cultural venues, or licensing and/or zoning for non-traditional venues to make their offerings or rentability more formalized.
- **Increasing Collaborative Action for Audience Growth** – Audience growth is a critical component for the success of an artist. Helping local artist find the right venue(s) for their musical style and for the stage of their career will be crucially important.
- **Recognizing Music as a Tourism Enhancer** – Partnering with other, non-music tourism to collectively package music-related activities for tourists is a potential avenue to increase the per-visit spend for existing tourists.
- **Capitalizing on Collective Economic Impacts of BIAs** – This report outlines the collective value that music venues bring to entertainment areas. There is an opportunity to focus on these areas of density, to encourage collective growth (e.g. through neighbourhood discounts, collective marketing initiatives, etc.)
- **Continuing Grant Support for Artists** – With 28% of venues' revenues coming from municipal grants, this is a critical component for their financial sustainability. Venues indicated in the survey that increased support for artists and bands to play live music is a change they would like to see. This type of support could be in the form of increased grants for performances (e.g. to bring in touring acts, or to host cultural events). Artists can also be supported in this way, as a necessary piece of the music value chain, through grants such as those given by the City Enrichment Fund.
- **Growing Support of Music Workers** – Skilled people to work in the music ecosystem – particularly sound technicians – are limited, which in turn limits the growth of these companies, and the local resources available to musicians. Formalized support for educational opportunities, such as partnerships with local colleges could help to grow a talent pipeline for music industry talent.
- **Continuing to Foster the Strong Local Connections**– Evident in this report is the supportive and tightknit community that exists among musicians, venues and those who work in the music industry. Tapping more formally into this collective mindset would benefit all. It is understood that past formalized initiatives have not seen much success, so the provision of support structures for these types of groups to grow more organically could be the way to go.

It is clear that live music venues in Hamilton are a critical aspect of a thriving music ecosystem, a strong quality of life and a thriving urban centre in the city. Venues are important to the City of Hamilton, and the province of Ontario, providing not only social and creative value, but quantifiable value to the economy.

1. Introduction

1.1 Overview and Mandate of this Study

Music plays an important role in creating a vibrant city, driving value in several ways, including "job creation, economic growth, tourism development, city brand building and artistic growth."[1] The physical spaces for music to be created and performed are a critical piece of this. The more venues, the more jobs and more opportunities for musicians, and the more the sector, and thus overall city economy, can grow.

Nordicity was engaged to measure these contributions and impacts stimulated by the City of Hamilton's live music venues. Venues in Hamilton range from traditional venues of all sizes, large arenas, and mid-sized multi-use places, to cafes and DIY spaces, and all have a particular role in creating a thriving music ecosystem.

For the purposes of this report, a **traditional venue** is one that has a primary purpose to present live music. A **non-traditional venue** (i.e. Do-it-Yourself (DIY) or alternative venue) is one that has a primary purpose to do something else, but also plays live music.

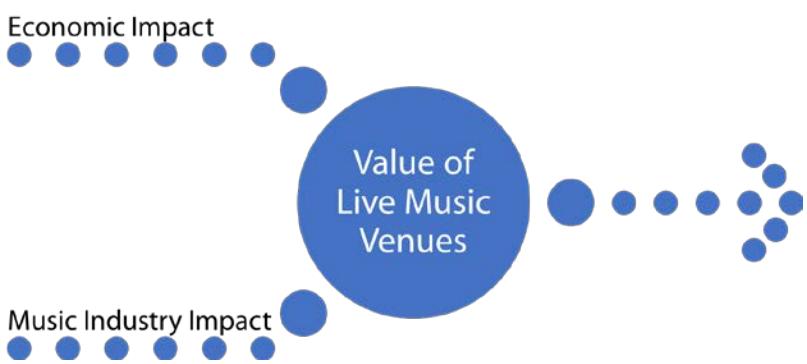
At a time when the city is seeing a lot of growth and change, there is value in quantifying and capturing the value of music venues to the larger music eco-system, for useful future planning.

This analysis will provide quantitative data to show the economic value of music venues, as well as discuss the broader impacts that flow out from venues, the lynchpin of a sustainable music industry.

A critical part of understanding these ripple effects was hearing from the music community. For this study, a survey of venues was completed, and interviews were conducted with venue operators, artists, record labels, BIA and City staff to gain a broad understanding of the many pieces that fit together, and identify the strengths, gaps and areas of opportunity to allow the sector to not only grow, but continue to thrive in Hamilton. The methodology and data sources used for this report will be discussed in more detail below.

1.1.1 Methodology and Data Sources

To fully assess these impacts, the value of live music venues was looked at from two angles:



[1] https://www.ifpi.org/downloads/The-Mastering-of-a-Music-City.pdf

To measure the **Economic Impact,** Nordicity:

- Quantified the contributions of live music venues to the Hamilton's wider economy, in terms of GDP, labour and taxes; and,
- Assessed the role venues play in attracting tourists (and the accompanying spending) to Hamilton.

The **Music Industry Impact** was determined by looking at:

- The role music venues play in the development of a healthy music ecosystem in Hamilton;
- How venues contribute to artist development; and,
- The role venues play in the city and quality of life for those who live there.

Data for this assessment was collected in several ways:

- **An Online Survey**: this survey was distributed to venues in Hamilton. The questions were developed in conjunction with Canadian Live Music Association (CLMA), and included questions on the types of shows, quantity of shows, operational expenses, and challenges venues face. The survey was distributed via the City of Hamilton's network, as well as the CLMA and Nordicity's.
- **One-on-one Interviews**: 12 interviews were conducted, with a range of key music stakeholders, including representatives from the City, BIAs, traditional and DIY venues, and musicians. A full list of interviewees can be found in Appendix A.
- **Other Sources:** data was also collected from the Ministry of Tourism, Culture and Sport (MTCS) and Statistics Canada to provide supporting information.

These data sources allowed this assessment to look at both the quantitative and qualitative aspects, to formulate a fuller picture of the impacts. Our Economic Impact Methodology and Assumptions are further outlined in Appendix B.

2. Overview Hamilton Music Ecosystem

2.1 The City of Hamilton Context

Hamilton, a city of 536,917 (2016 census), has seen a lot of changes over the last two decades. In 2001, the city amalgamated with five smaller municipalities; Flamborough, Glanbrook, Stoney Creek, Ancaster, and Dundas. Since amalgamation, the city has continued to grow, seeing 9.5% total growth in the past 15 years. [2] The median income has increased a massive 43.6% in that same period.[3] At the same time, property values have increased exponentially. Houses in the greater Hamilton area (which also includes Burlington and Grimsby) have increased by 79% in the past five years, to an average of $581,900, the fourth largest increase in the country.[4]

This growing population and increased property values have contributed to numerous secondary effects, including on the arts and creative industries in the city. Growth in the population means more people to support and attend the arts (the number of millennials in the city grew 9.9% between the last two censuses, and they now make up 27.8% of the city's population[5]), but also a rapidly shrinking availability of affordable space and housing is less affordable for working artists as it once was. When it comes to music in the city, venues (the lynchpin of the whole sector) are often being sold.

Hamilton has a long history of strong connections and associations with the music industry, starting with the founding of the Hamilton Musical Institute in 1888, bringing thousands of music students to the city. This legacy continued, through to the founding of Hamilton Philharmonic Orchestra in 1949.

From roots music in the 1950s, to indie rock in the 2000s, the city has continued to be an incubator for musicians from around the world, and a hotbed for homegrown talent including Teenage Head, Terra Lightfoot, Arkells, Blackie and the Rodeo Kings, and Daniel Lanois. Hamilton now has the 6th largest cluster of music businesses in Canada, with 7,725 people working in the music industry, across 541 music related businesses and as independent musicians.[6]

Proximity to Toronto has had both negative and positive effects on Hamilton's music ecosystem. This closeness has contributed to the aforementioned population growth, with people seeking more affordable housing, bringing creatives as well as audiences to the city. Between 2011-2015 Hamilton saw 16% growth in people employed in the creative industries, which is higher than the provincial (12%) and national employment growth (10%) in the sector.[7] But also, Hamilton-based artists can play easily in both cities, and audiences have the option to go to Toronto rather than staying local, spreading the talent and ticket sales across a larger swath of venues.

Strong local connectors, such as *I Heart Hamilton* on community radio and Sonic Unyon, the Hamilton-based independent record label, have been instrumental in growing and supporting the growth of local talent. For example, in 2009 Sonic Unyon founded Supercrawl, an annual music festival. Now in

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[2] https://www.hamilton.ca/government-information/trust-and-confidence-report/hamiltons-progress-2000-2017

[3] https://www.hamilton.ca/government-information/trust-and-confidence-report/hamiltons-progress-2000-2017

[4] https://www.cbc.ca/news/canada/hamilton/home-prices-hamilton-crea-1.4950407

[5] http://www.sprc.hamilton.on.ca/wp-content/uploads/2016/09/Demographic-Shifts-Rise-of-the-Millennial-generation.pdf

[6] https://investinhamilton.ca/industries/creative-industries/

[7] https://investinhamilton.ca/wp-content/uploads/2019/06/CreativeIndustriesConsultantsReportMarch2019.pdf

its tenth year, Supercrawl has grown into a multi-day, multi-venue event, that showcases local, national, and international talent, and resulted in an economic impact of more than $20.5 million.[8] Numerous other festivals also take place in the city and contribute to a strong local platform for talent, including the Brott Music Festival, Collective Arts Festival, Strangewaves and Artsfest.

Considering all the strengths of, and challenges facing, the music sector in Hamilton, in 2013 the city undertook the development of a Music Strategy.[9] This strategy was an effort to begin this identify how to support this strong music sector in a more strategic way. The strategy looked at three distinct but intersecting groups that comprise the music ecosystem:

- **Industry**: music businesses and organizations (e.g. recording studios, labels, promoters, etc.)
- **Musicians**: artists and performers
- **Consumers**: audiences and the purchasing public

The strategy process led to the establishment of The Hamilton Music Advisory Team, a group of local music industry representatives from all three of the above areas. Other initiatives also came from this team, such as Music Mondays, a concert series run by the City to give local musicians a platform and offer free music to the lunchtime crowd. The momentum from this strategy culminated in 2015, when the city hosted the Canadian music awards, the Junos.

2.2 Profile of Hamilton Venues

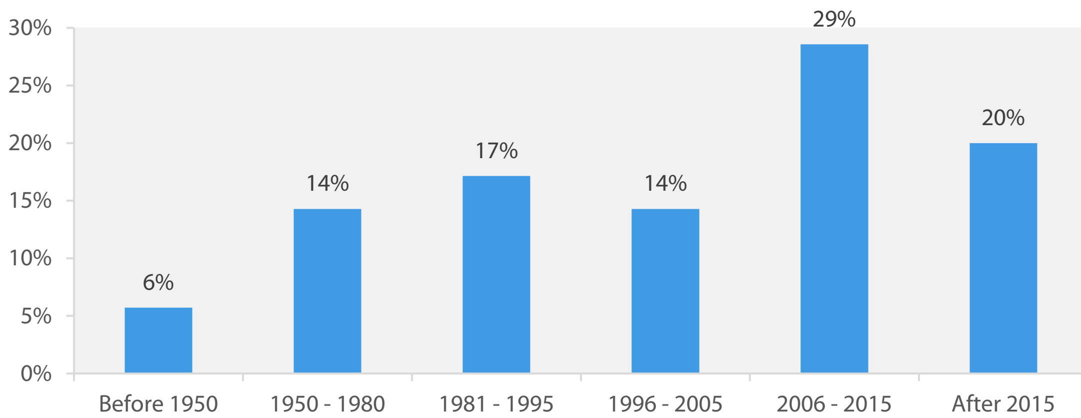
Hamilton is home to around 100 music venues,[10] many that have been in operation for several decades and others that have opened in the last five years. On average, venues have been in operation for 24 years. As seen in the figure below, one-fifth (20%) of the venues have been in operation for 40 years or more.

[8] https://supercrawl.ca/about/

[9] https://www.hamilton.ca/sites/default/files/media/browser/2015-09-10%2010%3A48/hamilton-music-strategy.pdf

[10] Data from City of Hamilton.

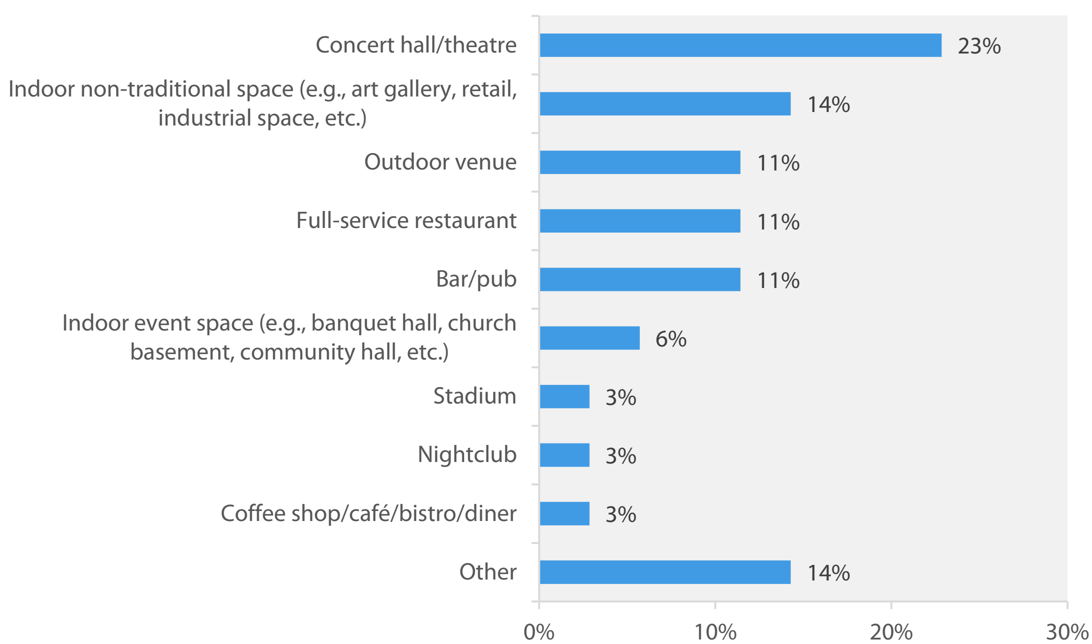
Figure 1: Number of Hamilton venues grouped by their opening year



n = 35
Source: Re:Venues Survey, 2019

There are a wide range of venues in Hamilton including outdoor venues, restaurants and bars/pubs. The most common types of venues in the city are concert halls or theatres (23% of venues). These would be "traditional venues" (e.g. with seating), with their primary business being the presentation of live performance/music. Non-traditional spaces constitute 14% of the venues – which is higher than all types except concert halls. 14% of respondents replied "other" but based on responses these also appear to constitute "non-traditional" venues – living room, recording studio, and brewery were answers written in for "other". The use of non-traditional spaces indicates a need for performance space that is not being met by traditional music venues.

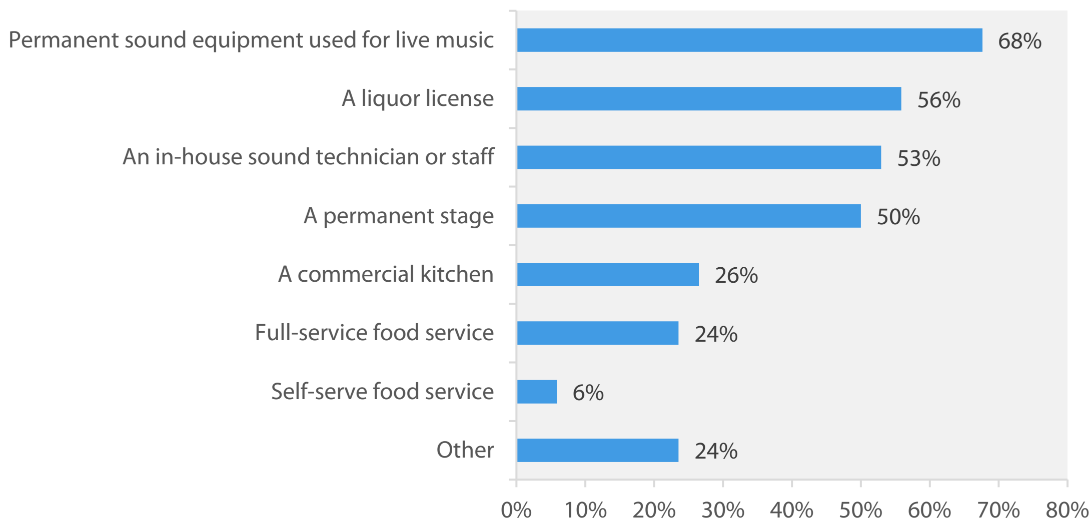
Figure 2: Types of Hamilton Venues



n = 35
Source: Re:Venues Survey, 2019

Hamilton venues have many common characteristics. A little more than two-thirds (68%) of venues offer permanent sound equipment, and half have a permanent stage, indicating that even when a venue is "traditional", it still may not be only used for live music. A little more than half of Hamilton venues have a liquor license (56%), another indication that live music is not only being experienced in spaces that are traditionally places to go for a night out. 24% of respondents indicated that something other than these options were included at venues – mentioning "retail sound systems", "support teams". A few respondents also indicated under "other" that at some venues none of these characteristics exist. At outdoor venues such as parks the musician needs to bring in all the equipment, and sometimes no equipment is needed (e.g. for acoustic performances).

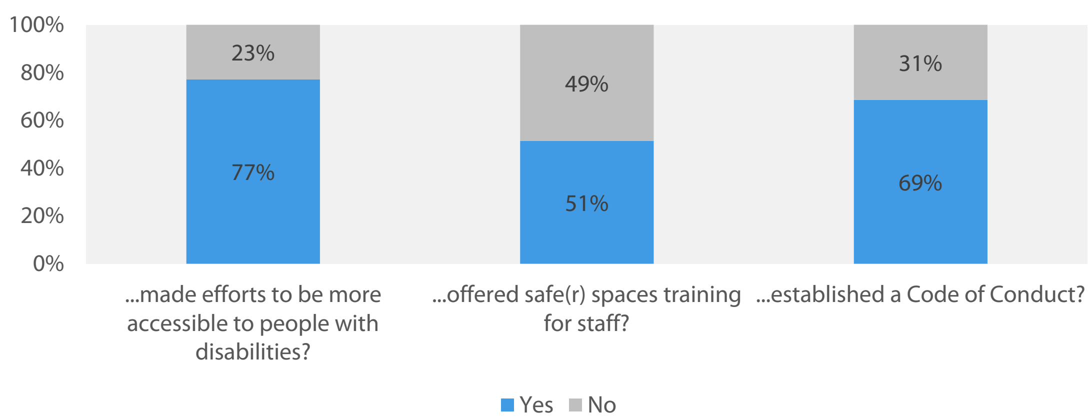
Figure 3: Characteristics of Hamilton music venues



n = 35
Source: Re:Venues Survey, 2019

Moreover, venues reported making changes to their spaces to be more accessible.

Figure 4: Hamilton music venues reported changes to their operations and spaces to become safer and more accessible



n = 35
Source: Re:Venues Survey, 2019

As seen in the figure above, a large majority of venues (77%) have made changes to their space to be more accessible, and over two-thirds (69%) have established a code of conduct. This aligns with Province-wide Accessibility for Ontarians with Disabilities (AODA) guidelines, as well as the Province's *Vision for Ontario's Live Music Industry* report. This report outlines a goal of improving access at venues, particularly for touring musicians.[11]

3. The Impact of Live Music Venues

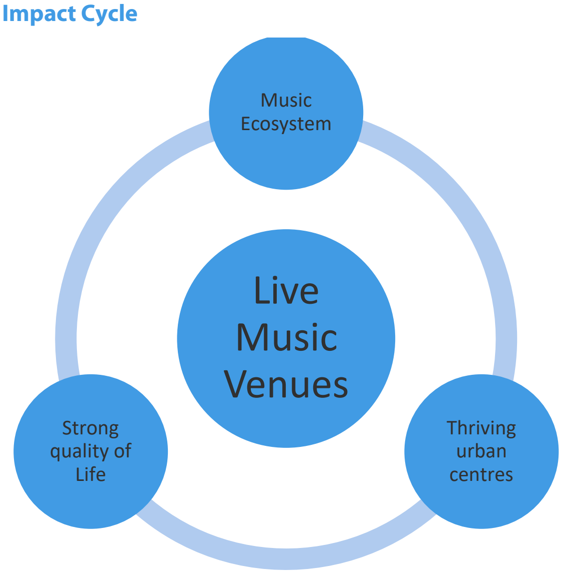
In Hamilton, the economic benefits of a vibrant local music industry are an engine that provides a livelihood to workers, stimulates new business formation, and underpins economic growth. At the heart of this music industry are live music venues, which provide platforms for artists, and attract audiences to business beyond the doors of the music venues that inspired their visit.

In addition to their role in developing the music industry, venues generate economic impacts that can be expressed in terms of GDP, labour income, employment and taxes. Venues also support a strong music ecosystem, artists careers, music industry jobs, a strong urban core, and the quality of life in a city. The impacts will be discussed in more detail below.

3.1 Music Industry Impact

Live music venues are a central part of a thriving music ecosystem (supporting artists and music industry careers), economic growth of a city, and the quality of life it offers. As visualized in the graphic below, these impacts are cyclical, one supporting and leading into another, of which live music venues are at the heart.

Figure 5: Music Venues Impact Cycle



[11] http://www.mtc.gov.on.ca/en/culture/ontario_live_music_industry.shtml

Venues support the growth of artists' careers, by providing a platform for discoverability and audience growth. Interviews with artists indicated that performing at small venues early in their careers allowed them to practice their craft and build a following, which then necessitated performances at larger venues. Festivals such as Supercrawl were also identified as excellent platforms for audiences to discover their music.

Subsequently, the success of artists increases the number of jobs in the music industry in Hamilton—more artists, more jobs for promoters, sound engineers, recording studios, etc. As evidenced by organizations such as Sonic Unyon, which started as a band, and then moved into recording, venues, and festival planning, people wear many hats in the Hamilton music ecosystem. Conversations with artists and venues alike revealed a close-knit and supportive music sector, one that recommends musicians for certain opportunities and develops events specifically to profile local musicians. This leads to a lot of comradery and mutual respect among all the players.

Good music, strong marketing, and quality sound brings audiences to shows, who subsequently spend money at restaurants near-by, supporting the growth of thriving neighbourhoods, which in turn contributes to the quality of life for those who live in the city. A city with a good quality of life attracts more people (aka audiences and artists), starting the cycle over again.

The importance of live music venues to artists careers, as well as the role they play in building a strong industry and city cultural are discussed in more detail below.

3.1.1 Importance to Artists Careers

Venues are critical for growing artists careers, providing the main connection point for audiences to appreciate and discover musicians. Music Canada reports in their *Mastering a Music City* that in order for music to thrive, a city needs several types of spaces "rehearsal spaces, recording studios, music education institutions and live performance venues".[12] While music is increasingly consumed online through streaming audio or video, the live music experience remains a critical one in the growth of an artist's career, and a valuable aspect of the fan experience.

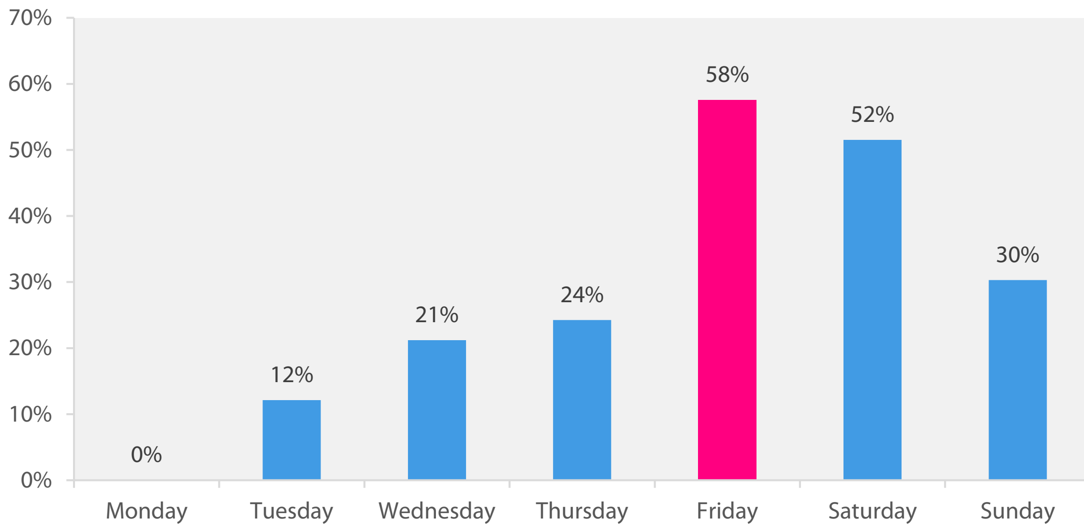
There is no lack of talent in Hamilton. With the great music programs offered in the city for all ages, from the Suzuki School of Music, and the Hamilton School of Music, to Hamilton College, Mohawk College, and McMaster University, there is a funnel of musicians to grow the local talent pool with the right platforms for them to grow their careers.

In a typical week, Hamilton music venues have acts 1.6 days out of seven, and on a typical show day, venues have 1.5 acts. Effectively, venues feature live music an average of 59 days a year (usually held on Fridays or Saturdays).

On a typical weekday, venues remain open for just under eight hours, while on the weekend (Friday – Sunday) they remain open for just over nine hours. Of their opening hours, 36% feature live music. About three-quarters (74%) of the acts performed at the venues comprise of original music.

[12] https://www.ifpi.org/downloads/The-Mastering-of-a-Music-City.pdf

Figure 6: Number of Hamilton venues that have at least one act on a given weekday



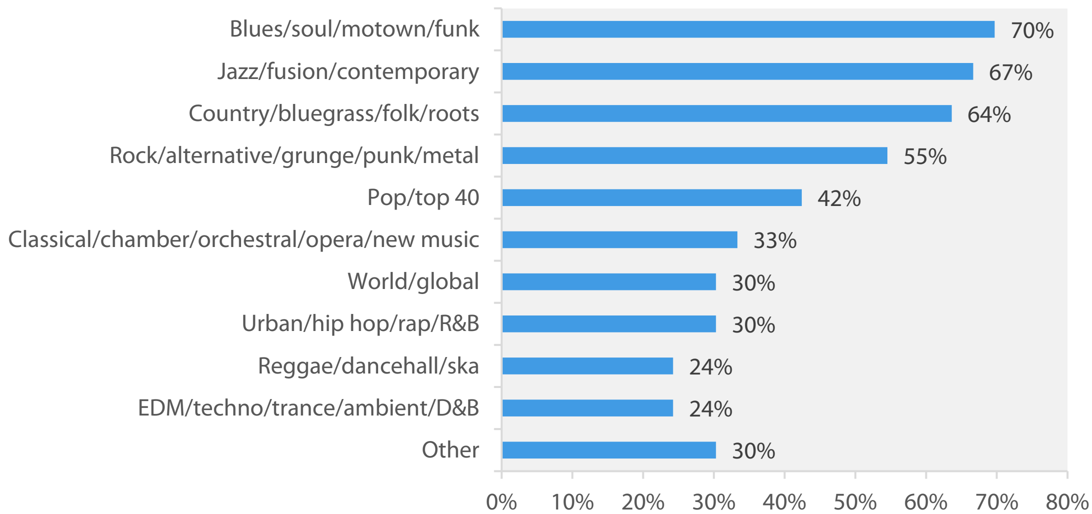
n = 33
Source: Re:Venues Survey, 2019

The uniqueness of Hamilton is that there is not a single sound; rather, there are many different artists, performing in many different genres, with "everyone is putting their own spin and twist on things that haven't been heard before."[13] This diversity necessitates venues of different sizes and genre specializations. The Music Canada report also notes that it is not enough for cities to just have venues, but a *variety* of venues, to allow artists to grow their audiences, and by extension their careers.

As evidenced in the chart below, there are many types of music performed in the city. Blues/soul/Motown/funk is the most common genre of focus for Hamilton's music venues (70%), followed by Jazz/fusion/contemporary (67%), and Country/bluegrass/folk/roots (64%). And the need to have a variety of venues to support this range was echoed in consultations with Hamilton artists throughout this project.

[13] Interviewee.

Figure 7: Genres of music performed at Hamilton's music venues



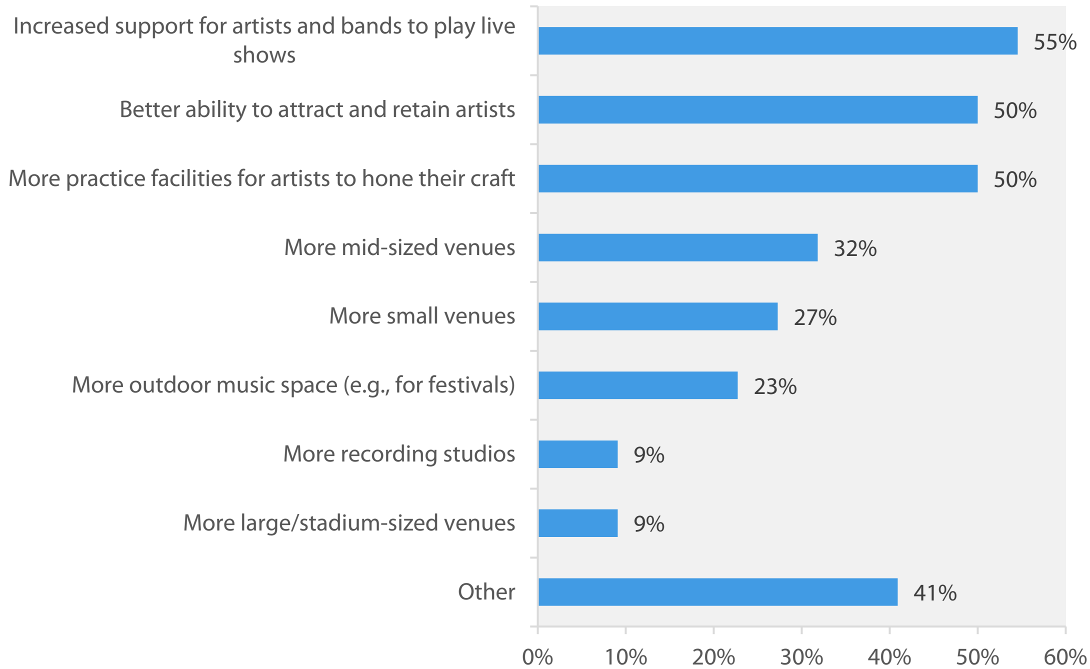
n = 33
Source: Re:Venues Survey, 2019

Many venues in Hamilton do proactively try to play a variety of music. Nonetheless, there are limitations around venues that performers of all genres can play: be it the right size, level of (in)formality, vibe, sound quality. Because there are not as many options that work for artists in certain genres (e.g. hip hop), artists often end up playing the same venue over and over, generally reaching the same audiences time after time. This leads them to looking outside the city for spaces that match their preferred sound setup and bring new faces to the crowd.

While touring to other cities to grow audiences is a critical part of artists careers (regardless if venues are available in the city), there are still limitations that are felt in Hamilton, particularly when it comes to mid-sized venues (i.e., over 250-person capacity). Additionally, while there are many advantages to the close and supportive music scene in Hamilton, it does necessitate making connections with venue operators and promoters to get bookings, sometimes adding additional barriers for up and coming acts to get a foot in the door.

Specifically, when Hamilton music venues were asked which parts of the music ecosystem could be improved, over half (55%) indicated that *increased support for artists and bands to play live shows* is a change they would like to see. Potential avenues for increased support for the music ecosystem will be outline in the conclusion of this report.

Figure 8: Changes that Hamilton music venues would like to see in the city's music ecosystem



n = 19
Source: Re:Venues Survey, 2019

The changing dynamics of the city have put venues into a challenging position. They need to book acts that will bring in crowds, and often have to make adjustments to their pricing models (e.g. requiring artists to pay to rent out the space) and diversify their focus (e.g. non-music related events). By extension, these business decisions can limit the opportunities for artists to find their audiences and increase their out of pocket costs when just starting out.

Supporting venues is supporting musicians. Through consultations, it was clear that artists feel venues had contributed to their career growth in Hamilton, not only for building a dedicated audience, but also connecting them to the industry, and building comradery among local musicians. We heard that local support and the opportunities given at venues have directly contributed to artist's career growth. One artist discussed how the I Heart Hamilton blog helped to grow their audience online, which then directly led to her getting a show. And another discussed how they were relatively unknown until their performance at Supercrawl, which led to someone in the crowd specifically seeking them out following the show to offer then another gig.

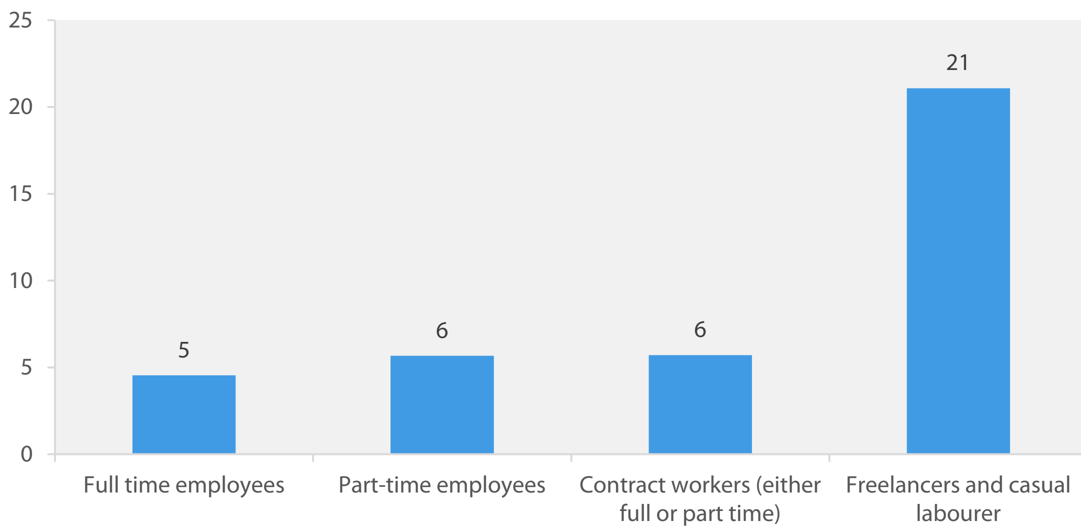
Venues, in turn, rely on strong talent to bring people through the door. One supports the success of the other. Some venues even act as small incubators, in a way, doing everything from talent discovery, to recording, marketing, to continue to support artists in as many ways as possible. Without venues, there would not be these central spaces for connection, performance and discovery.

3.1.2 Importance to Industry/Business in City

Venues do not just support musicians. There is a whole industry that is created around artists, be it positions at the venues, or in the broader music industry as promoters, recording labels, studios, festivals, etc. By supporting the success of artists, music venues also support the economic growth of other businesses/sectors in the city. A City Lab report found that "the more music venues there are, the more jobs become available, and the more a city's economy is able to grow…".[14]

In Hamilton, venues rely on freelance and casual labourers to operate their business. 74% of venues let touring/eternal technicians work on their equipment, which is evidence that there is a shortage of sound engineers, either in Hamilton or employed at venues. As seen in the figure below, venues on average have five full-time employees, but have over 20 freelance and casual labourers.

Figure 9: Average number of employees hired by Hamilton music venues

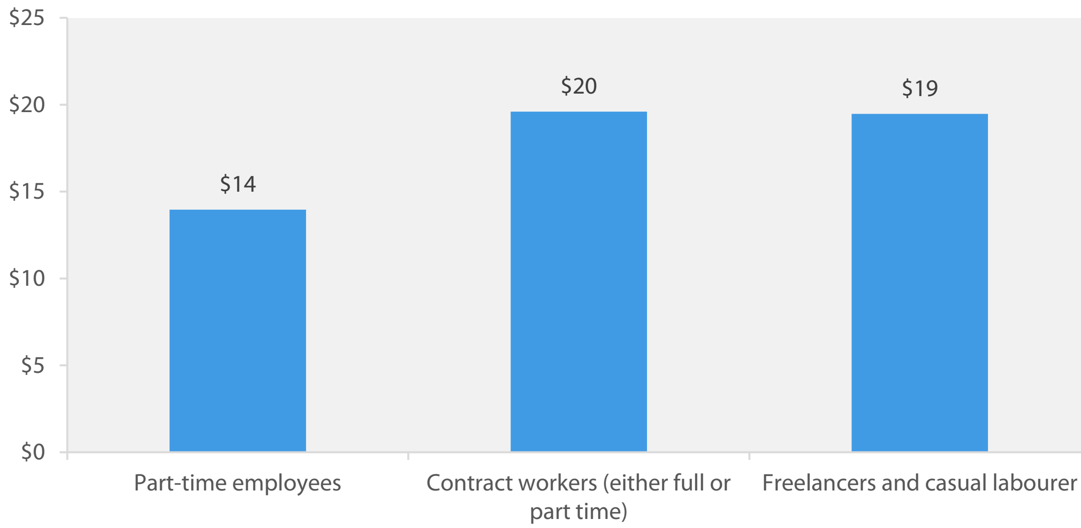


n = 33
Source: Re:Venues Survey, 2019

So, while the number of full-time positions available at venues is not huge, the "gig" nature of live music allows for many more people to have paid work (e.g. young people wanting to get experience, artists who want additional income, etc.). Moreover, a quarter of the venues reported being unionized. In terms of wages, contract workers make $20 per hour, which is 43% above the provincial minimum wage of $14/hour.[15] Average wages for other types of workers can be seen in the figure below.

[14] https://www.citylab.com/solutions/2015/10/what-does-it-take-to-make-a-music-city/413011/
[15] https://www.ontario.ca/document/your-guide-employment-standards-act-0/minimum-wage

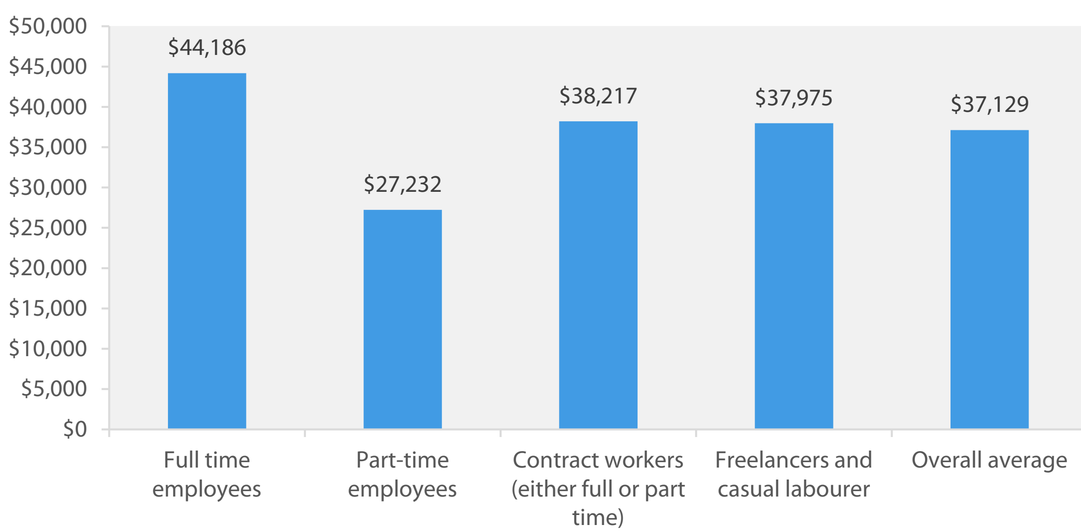
Figure 10: Average wages paid by Hamilton music venues, by type of worker



n = 33
Source: Re:Venues Survey, 2019

On an annual basis, full-time employees are paid approximately $44,200 per year, 33% above Hamilton's median income of $33,000. Other wages on an annual basis can be seen in the figure below.

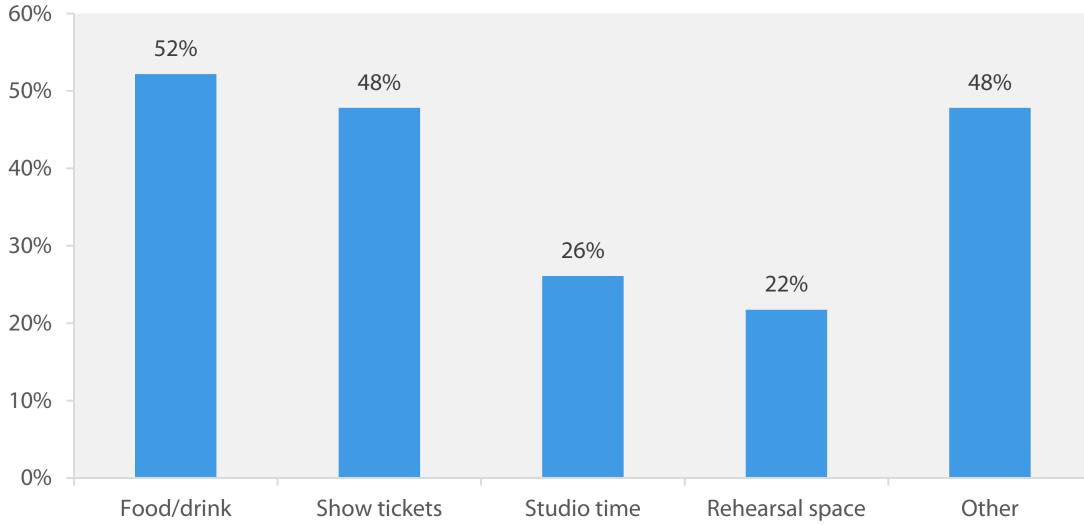
Figure 11: Average annual wages paid by Hamilton music venues, by type of worker



n = 24
Source: Re:Venues Survey, 2019

While venue employees make above the median income in Hamilton, they still do fall below the national media average ($70,336 per the 2016 census[16]). Many venues do offer in-kind compensation, which can help to offset some costs for employees. Over half (52%) of venues reported providing food or drink to their workers, and almost half (48%) reported providing show tickets.

Figure 12: In-kind compensation given to workers by Hamilton music venues

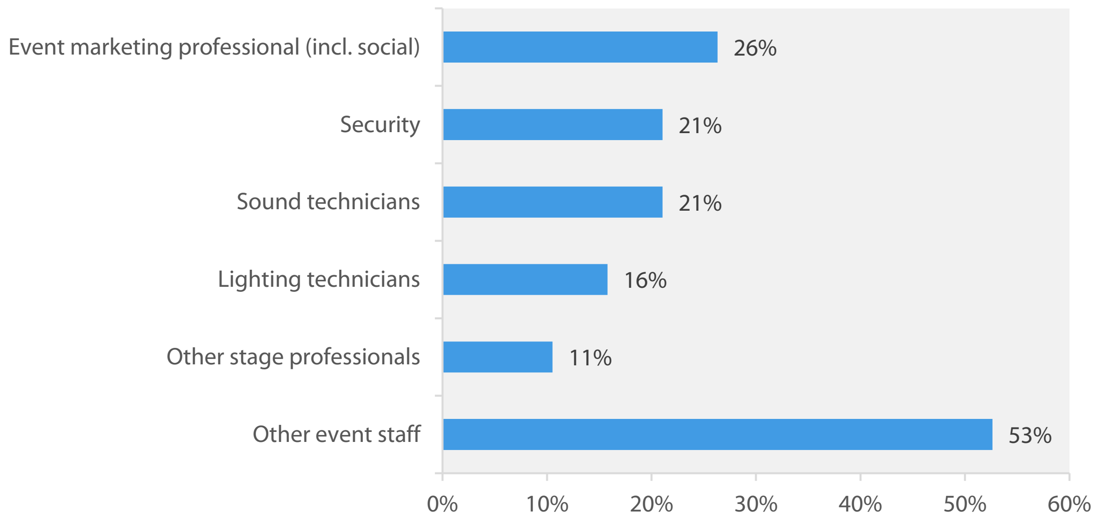


n = 24
Source: Re:Venues Survey, 2019

A range of live music workers are employed by these venues, but not all types of workers are easy to recruit. Indeed, over a quarter (26%) of venues reported difficulties in finding *event marketing professionals*, as seen in the figure below.

[16] https://www150.statcan.gc.ca/n1/daily-quotidien/170913/dq170913a-eng.htm

Figure 13: Types of live music workers that Hamilton music venues reported difficult to find



n = 19
Source: Re:Venues Survey, 2019

"Other event staff" that venues reported difficulties in finding include cooks, production and logistics staff, rigging specialists, etc.

These difficulties in staffing affect the longevity of these venues. From our consultations we heard that it is hard to find qualified people to work in the music industry. Companies also report that while their capacity remains small, there are challenges replacing needed staff when someone leaves. When venues are supported, the possibility of these other music ecosystems jobs also grows- more artists, and a stronger ecosystem to encourage people to stay in the city. Educational programs can also play a role in growing a local career pipeline for jobs in the music industry. But, without venues leading to more artists, the music ecosystem cannot grow.

Venues create the foundation for the overall sector. By supporting artists careers, venues are supporting the growth and availability of other jobs across the music (and creative) ecosystem.

3.1.3 Importance to City

The impact of venues extends beyond the artists and the resulting employment opportunities. It also creates spaces that bring people in a city together, providing rich artistic experiences, and giving people a sense of identity and belonging in their city. According to a Creative Cities report, "the arts ensure a community's habitat reflects who residents are and how they live."[17] Collective artistic experiences such as live music allow people to connect with their community, and see themselves belonging in it.

As evidenced in the maps in maps below, venues in Hamilton tend to be concentrated into certain neighbourhoods, namely downtown.

[17] https://www.creativecity.ca/database/files/library/urban_renewal_revitalization(1).pdf

Figure 14: Concentration of Hamilton Music Venues

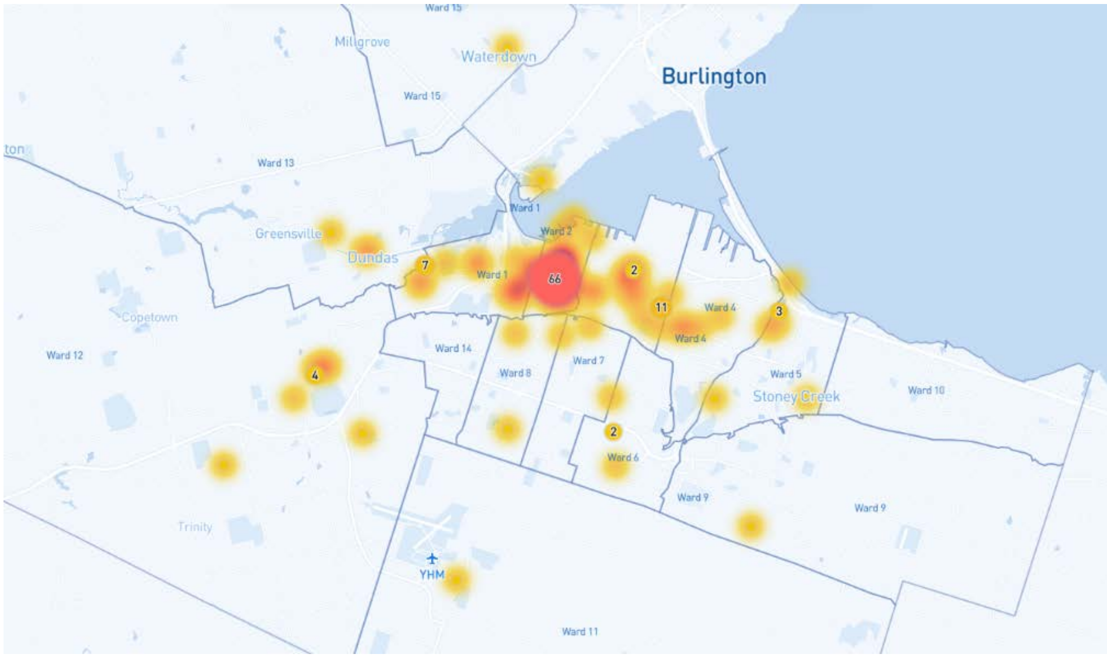
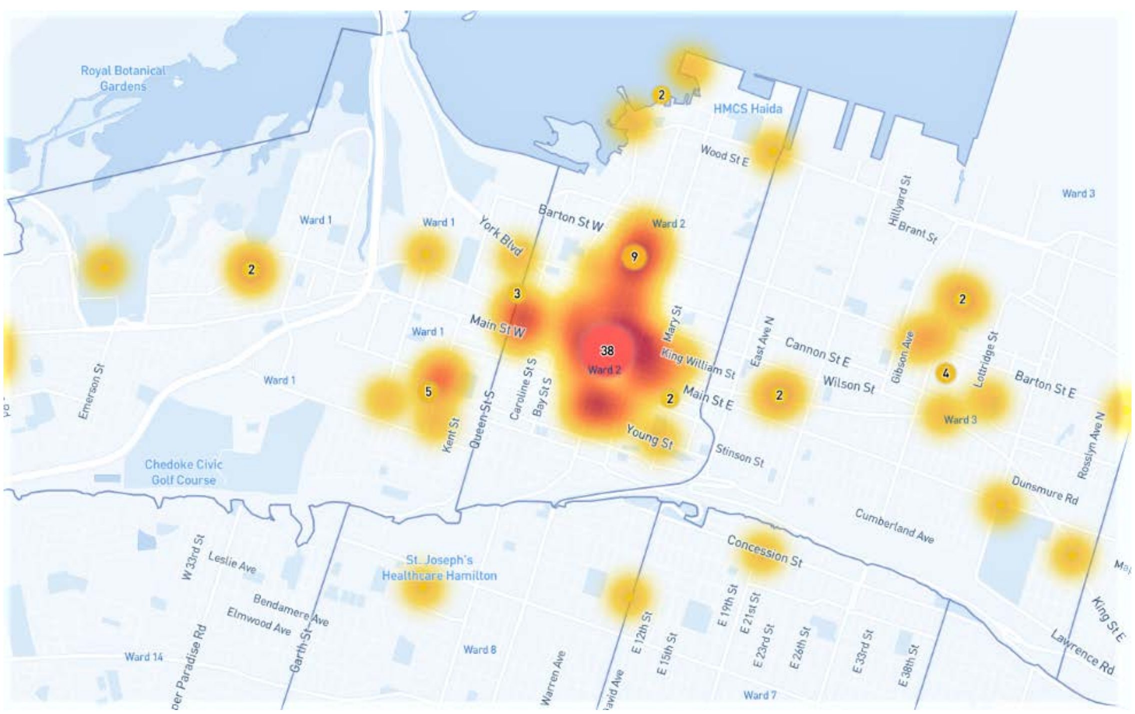


Figure 15: Zoomed in Map of Ward Two



The above maps show us that Wards 1, 2 and 3 have the highest concentration of venues. Location Quotient (LQ) analysis can help to dig a bit deeper into what this density reveals. LQ analysis is a method used to identify the degree of specialization or concentration in a particular industry within a particular area, as compared to a larger whole. In this case, that would be the level of concentration of cultural workers in a ward, compared to cultural works in Hamilton.[18] In Hamilton, 2.8% of the city's labour force is employed in arts, culture or sport. This percentage was compared to the percent of the labour force working in arts and culture in each ward, to identify which has the highest concentration.

The below chart summarized the Location Quotient for each ward:

Table 1: Location Quotient analysis by ward (ranked by LQ)

Ward	% of Ward's labour force employed in arts and culture[19]	Location Quotient (LQ)	Number of Venues in Ward
1	**5.4**	**1.9**	**11**
2	**3.8**	**1.4**	**55**
3	**3.7**	**1.3**	**10**
13	3.3	1.2	3
12	3.2	1.1	6
15	2.9	1.0	1
8	2.8	1.0	3
6	2.5	0.9	1
14	2.5	0.9	0
11	2.2	0.8	1
7	2.1	0.8	2
5	2.0	0.7	5
4	1.9	0.7	6
9	1.9	0.7	1
10	1.9	0.7	0

Wards 1, 2 and 3, with their high concentration of venues, also have the highest LQ (concentration of cultural workers). This shows that arts and cultural workers in Hamilton tend to live in close proximity to cultural experiences. Increased density of cultural spaces (i.e. venues) appears to create neighbourhoods that creative people want to live in.

The LQ analysis also reveals Wards where there is no correlation between density of venues and a concentration of cultural workers. But this lack of correlation is also revealing. For example, Ward 15

[18] Generally, an LQ of 1.5 or higher shows a significant concentration of an industry.

[19] https://www.hamilton.ca/city-initiatives/strategies-actions/ward-profiles

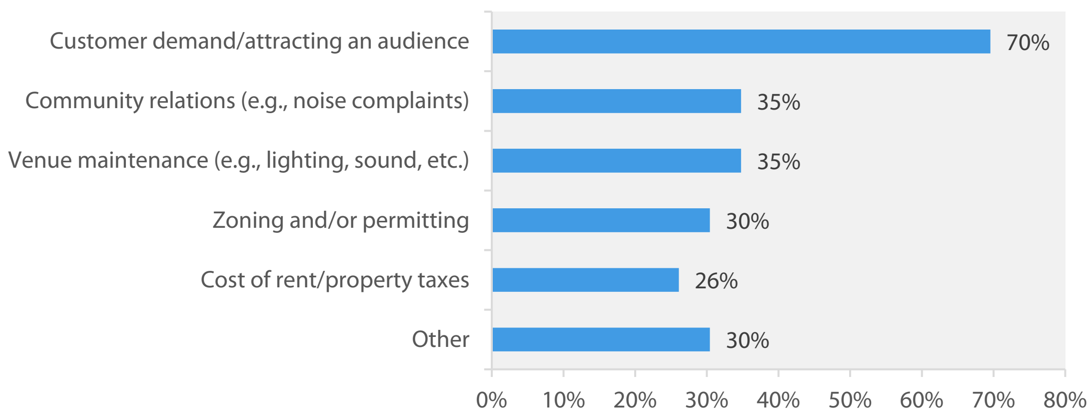
has a relatively high concentration of cultural workers, although only one venue. While people certainly do not always work where they live, this insight is interesting when thinking about reaching an audience that may be receptive to increased cultural infrastructure.

Density creates a vibrancy in a neighbourhood, bringing people to engage with the area, and patron the businesses there. An added bonus of increased foot traffic is safety- that when there are lots of people around, there are more people to watch out for one another, increasing the quality of life in a neighbourhood. Not only does this impact the quality of life for people who live in the city, but also attracts and retains artists, and artist workers- vital components of a successful music ecosystem, as discussed in the preceding sections.

Discussions with the BIA reveal that music and food engage and draw people in at events, and the City reports the success of Music Monday's in bringing people out of their offices over lunch hour to interact.

There is clearly an appetite for live music in Hamilton, although challenges do remain with attracting audiences. Hamilton music venues were asked about their issues, a large majority (70%) indicated that attracting an audience was the most pressing issue.

Figure 16: Issues faced by Hamilton music venues



n = 19
Source: Re:Venues Survey, 2019

Multiple entertainment offerings in close proximity create a destination for people from across the city, drawing audiences and creating an identify around a certain area. Discussion with venues indicate that often if a show or restaurant is full, when there is density it is easy for people to go to another establishment near-by, supporting the economic growth of a whole neighbourhood.

Marketing and branding can play an important role in letting the public know all that is happening in the city. The Concession Street BIA has successfully run with the adage of "rising tide lifts all ships" and created a destination for audiences to come to with their Sidewalk Sounds series. The third Friday of every month between May and September live music is performed at five venues along the street, creating that destination that bring people to the neighbourhood, and a format that encourages the patronage of multiple establishments in the area.

As gentrification increases property values, these venues are going to be in increasingly challenging positions to bring in audiences. If there are no mechanisms to promote and support them, then, as this report has shown, a critical piece of the value chain is lost. Without venues, the entertainment clusters and density cannot grow, quality of life cannot increase, artists careers cannot be maintained, and a city cannot attract and retain more cultural workers.

There is value in supporting the longevity of venues, for the growth of not only the music ecosystem, but Hamilton as a city.

3.2 Economic Impact

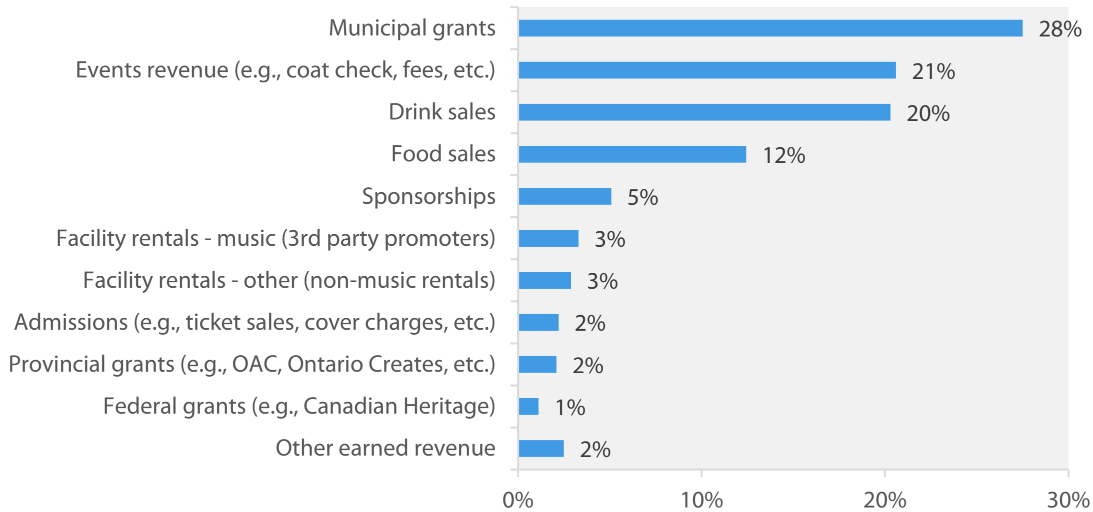
Beyond their vital role in supporting a thriving music industry, there are economic impacts of the live music industry. This economic impact refers to the GDP, jobs and labour income generated by companies operating in the live music venue industry in Hamilton. The impact can be articulated in terms of direct, indirect and induced impacts.

- The **direct** economic impact refers to the impact (in GDP, employment and labour income) created by the venues (typically via labour spending and the amassing of profits).
- The **indirect** economic impact refers to the increase in GDP and employment in the industries that supply inputs to the music venues, as a result of the industry's activities. Lighting and equipment services would be one example of an industry that supplies a key input to Hamilton's music venue industry.
- The **induced** economic impact refers to the additional economic activity associated with the re-spending of wages earned in the music venue industry (i.e., the incremental household income) in the Ontario economy.
- The **total** economic impact of the supply of live music in Ontario is equal to the sum of the direct, indirect and induced economic impacts outlined above. The expenditure and margins that generate the impact are described in the section below, followed by the impacts.

3.2.1 Revenue and Expenditure

Music venues in Hamilton generated an estimated $62.7 million in gross revenue in 2018. The figure below shows a breakdown of this revenue by source.

Figure 17: Breakdown of revenue earned by Hamilton music venues[20]



n = 29
Source: Re:Venues Survey, 2019

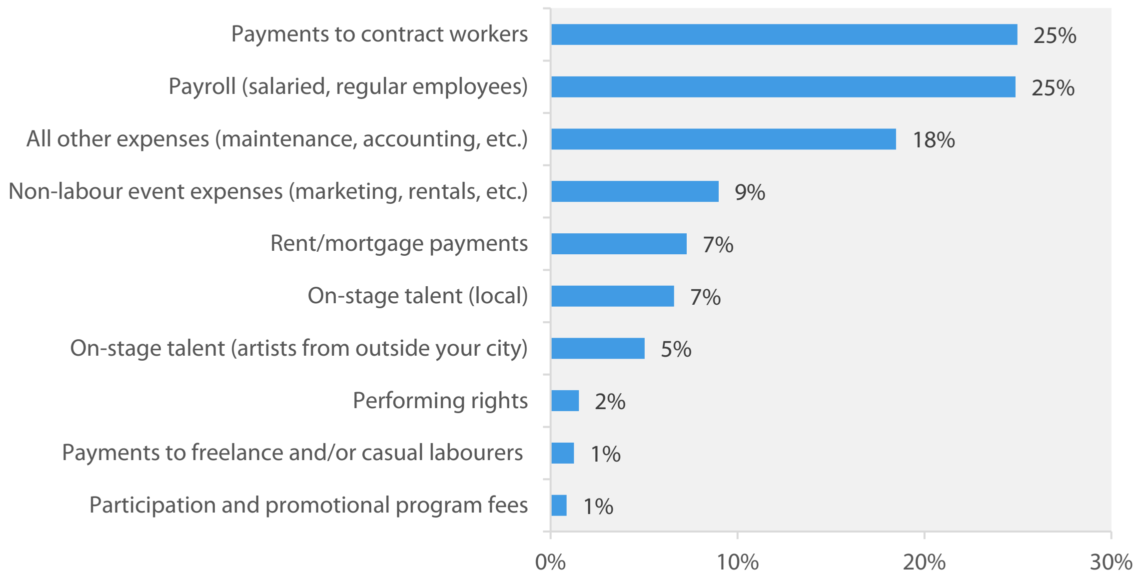
It is evident that venues rely on funding and grants from several sources, particularly, municipal grants which constitute 28% of industry revenue. This indicates that the survival of venues (and thus of the music ecosystem) rests on involvement of municipalities.

The gross expenditure incurred in earning this revenue is estimated to be $60 million. Of this total, 53% (or $32 million[21]) was spent in Hamilton on expenses including staffing, rent, and utilities. This indicates that venues are not able to meet all of their needs within the city. While marketing beyond the city limits is necessary, that is only 9%. A large portion of these external expenses are likely going to non-local labour. The figure below shows a breakdown of the total expenditure.

[20] Grants are treated as revenue in this context, as venues spend grant money as though it was revenue.

[21] Venues were not asked to breakdown local expenditures by type, only to indicate what percentage of their expenditures were spent in Hamilton. This figure likely represents business that operate as music venues and also conduct other forms of business (e.g. music stores) where the majority of expenditures are incurred outside of Hamilton.

Figure 18: Breakdown of expenditure incurred by Hamilton music venues



n = 29
Source: Re:Venues Survey, 2019

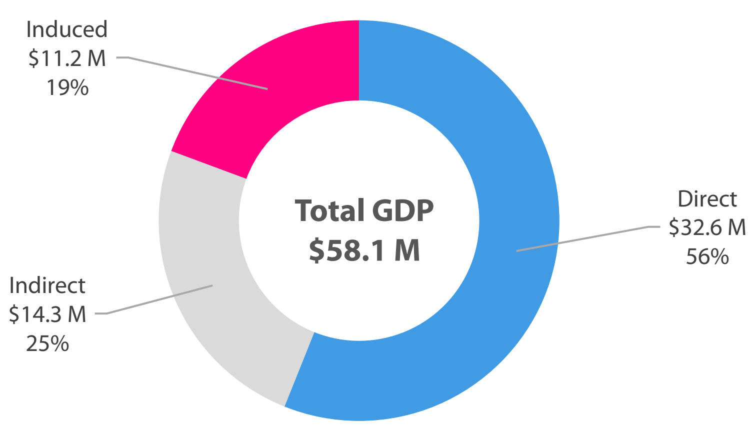
Labour expenditure is the largest expenditure category and constitutes half (50%) of total expenditure including employees and contracted labour (e.g. sound engineers, lighting, etc.).

Given this revenue and expenditure, the estimated operating margin for the industry is 4%, or $2.6 million.

3.2.2 Economic Impact of Venue Operations

The operating margin of the industry and its expenditures generate economic impacts on Ontario's economy. The **direct** GDP impact of music venues in Hamilton on the provincial economy is estimated to be **$32.6 million**. The figure below shows the GDP impact broken out into direct, indirect and induced impacts.

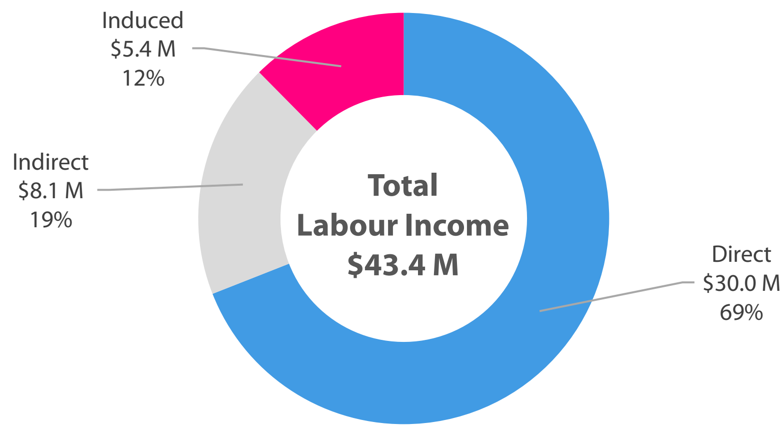
Figure 19: GDP impact of Hamilton venue operations



Source: Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts.

The **total** combined economic impact of the industry is estimated to be **$58.1 million**. This impact is derived from the **labour income** which is an estimated **$43.4 million** in total.

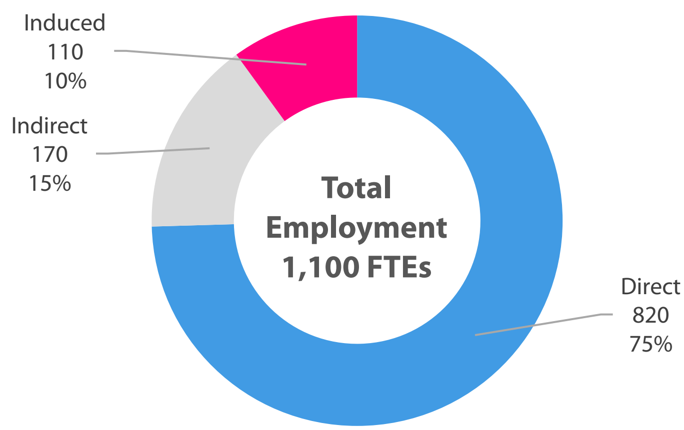
Figure 20: Labour income impact of Hamilton venue operations



Source: Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts.

In terms of **employment**, venues in Hamilton supported **1,100 FTEs** in **total**, and **employs 820 FTEs**[22] directly. For an industry such as live music, with so many contract/short term employees, FTEs are the clearest way to articular the industry labour impact. FTEs provide a standard unit so that full-time, part-time, contract and freelance workers can all be combined to calculate a complete impact.

Figure 21: Employment impact of Hamilton venue operations

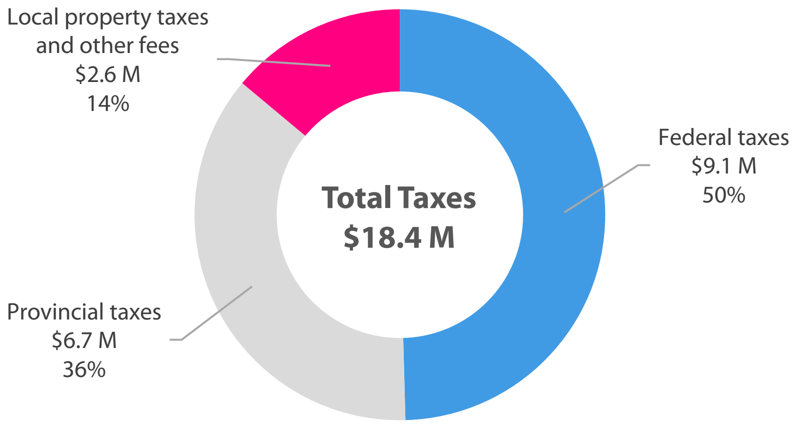


Source: Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts.

[22] Employment impacts are measured in terms of FTEs, which are not the same as the number of people employed. Full-time equivalent is a measure of employment that can mean, for example, that three part-time employees each working a third of a year make up 1 FTE. It provides a standard unit that can be used to combine full-time, part-time, contract and freelance workers.

The economic activity described above generates **tax impacts** of **$18.4 million** in total. Of this total, provincial tax revenue makes up 36% or $6.7 million.

Figure 22: Tax impact of Hamilton venue operations



Source: Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts.

A breakdown of the tax impact is shown in the table below.

Table 2: Breakdown of fiscal impact of Hamilton music venues

	Federal	Provincial	Total
Personal income taxes	$7.3 M	$4.2 M	$11.5 M
Corporation income taxes	$0.6 M	$0.4 M	$1.1 M
Consumption taxes	$1.3 M	$2.1 M	$3.4 M
Local property taxes and other fees	$0.0 M	$2.6 M	$2.6 M
Total	**$9.1 M**	**$9.3 M**	**$18.4 M**

Source: Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts.

For the City of Hamilton, the music venues generated **$2.6 million** in **property taxes**.

3.2.3 Tourism Expenditure and Attribution

The preceding sections focus on the economic impacts of the day-to-day operations of music venues, that is, the impact of employment and expenditures associated with running a brick and mortar business in the city. In addition to these impacts, music events, and even a city's music ecosystem as a whole (e.g., the wider nighttime economy), can be a draw for tourism in the city. Music tourism is most commonly associated with well-known touring acts, as fans will often travel to a major centre to consume the live experience when a tour passes through. Similarly, some music ecosystems represent a tourist destination in their own right, most often in cities that are regarded as a hotbed for live music in a particular genre such as Nashville or New Orleans.

Naturally, some of the revenue earned through music venues' day-to-day operations includes visitor spending, so an analysis of the economic impact of tourism necessarily focuses on the portion of visitor spending that occurs outside of music venues. Such visitor spending may include travel (e.g., car rentals, transit, Canadian fares, etc.), accommodation (e.g., hotels), food and drink (e.g., restaurant meals, groceries, etc.), and other expenditures that may occur during a visit to Hamilton. This section outlines the value of tourist spending, focusing specifically on that associated with music tourists.

As summarized in the following table, the overall value of tourism spending varies significantly depending on the provenance of the visitor. Visitors from within Ontario are more likely to be a day trip or single overnight stay, whereas a visitor from outside the province (or country) are more likely to stay for a longer duration. As a result, visitors that come from farther away are typically associated with higher levels of spending.

Table 3: Average spending per person visit in Ontario, by visitor origin

Visitor origin	Average spending per person visit
Ontario (excl. Hamilton[23])	$241
Canada (excl. Ontario)	$767
US	$489
Overseas	$1,673

Source: MTCS spending data for visitors to Festivals and Fairs, 2016

The following table shows a typical breakdown of visitor expenditures based on data from the Ontario Ministry of Tourism, Culture and Sport (MTCS). In order to avoid double counting the spending already captured in music venues' day-to-day operating revenues (which is included in the impact of venue operations in the preceding section), the analysis of visitor spending excludes the recreation and entertainment categories of spending, as indicated in red.

Table 4: Average breakdown of visitor expenditures, by visitor origin

Type of spending	Ontario (excl. Hamilton)	Canada (excl. Ontario)	US	Overseas
Transport (Total)	**25%**	**30%**	**24%**	**46%**
Public Transport	8%	18%	17%	37%
Canadian Fares	-	-	*16%*	*36%*
Other Public Transport	*8%*	*18%*	*2%*	*1%*
Vehicle Rental	1%	4%	1%	2%
Vehicle Operations	14%	6%	5%	5%
Local Transport	2%	2%	1%	1%
Accommodation	**20%**	**28%**	**29%**	**19%**
Food & Beverage (Total)	**32%**	**24%**	**23%**	**17%**
Food & Beverage at Stores	9%	4%	5%	4%
Food & Beverage at Restaurants/Bars	23%	20%	17%	13%

[23] Visitor provenance is also a key consideration with regard to the 'incrementality' of tourist spending. Though economic models vary in their treatment of local visitors, Nordicity does not consider visitors from within Hamilton to contribute to incremental tourist spending. For example, though a music venue patron may purchase a restaurant meal before attending a music event, the same person may have had a restaurant meal if there was no music event. As such, the assessment of visitor spending in this section focuses on spending by visitors from outside of Hamilton in the city's economy.

Type of spending	Ontario (excl. Hamilton)	Canada (excl. Ontario)	US	Overseas
Recreation/Entertainment (Total)	**12%**	**10%**	**13%**	**6%**
Recreation	4%	5%	3%	1%
Culture	8%	5%	11%	5%
Retail/Other (Total)	**11%**	**8%**	**11%**	**12%**
Clothing	8%	7%	9%	11%
Other Retail	4%	1%	2%	2%

Source: MTCS spending data for visitors to Festivals and Fairs, 2016

To bring this all together, the following table states the economic impact on the provincial economy of 1,000 music visitors to Hamilton, by origin. This data was produced using the average expenditure data from the preceding tables (excluding recreation and entertainment spending) and using MTCS' online Tourism Regional Economic Impact Model (TREIM) to calculate the average impact associated with visitors from each origin.

Table 5: Economic Impact of Music Tourism, per 1000 tourists

Economic Impact (per 1000 tourists)	Ontario (excl. Hamilton)	Canada (excl. Ontario)	US	Overseas
Gross Domestic Product (GDP)				
Direct	$105,000	$365,000	$220,000	$794,000
Indirect	$41,000	$146,000	$88,000	$336,000
Induced	$48,000	$172,000	$104,000	$385,000
Total	**$194,000**	**$682,000**	**$412,000**	**$1,516,000**
Labour Income				
Direct	$60,600	$213,500	$130,100	$470,800
Indirect	$25,900	$92,800	$56,200	$215,000
Induced	$29,900	$107,200	$65,000	$240,900
Total	**$116,400**	**$413,500**	**$251,200**	**$926,600**
Employment (FTEs)				
Direct	2	5	3	10
Indirect	0	1	1	3
Induced	0	1	1	3
Total	**2**	**8**	**5**	**16**
Fiscal (tax) Impact				
Federal	$34,000	$114,000	$68,000	$253,000
Provincial	$31,000	$99,000	$60,000	$213,000
Municipal	$8,000	$29,000	$17,000	$57,000
Total	**$73,000**	**$242,000**	**$146,000**	**$523,000**

Source: MTCS spending data for visitors to Festivals and Fairs, 2016; MTCS Tourism Regional Economic Impact Model (TREIM)

The key takeaway from the analysis presented above is that (a) a thriving local music scene can be a draw for tourism, and (b) tourism can contribute a significant additional impact to the Ontario economy (above and beyond the operational impact of music venues themselves). That said, there is one additional dimension that factors into the strategic value of these observations, which is: precisely how should the music ecosystem be leveraged to achieve a greater economic impact.

As noted in the introduction to this section, there are two types of music tourists – those who come to attend a particular show (and as such, their spending is wholly attributable to the music event), and those who attend a show as part of an existing trip. While policymakers have little control over the actions of private enterprise in staging major shows to attract tourism, the City of Hamilton can be a catalyst for stakeholder collaboration to increase visitor spending during existing trips by cross-promoting music venues, events, festivals, and other forms of musical attractions to incoming tourists that are already in the city. Such an initiative may involve encouraging introductions between music venues, hotels, destination tourism attractions, and organizations like the Canadian Live Music Association, which are already involved in the promotion of Canadian music to international audiences.

4. Issues Facing Venues

The preceding sections have articulated the vital role that venues play in a healthy and thriving music ecosystem. But in order to ensure the longevity and growth of the music sector in Hamilton, and to continue to bring these economic impacts to the city, there are several critical issues that need to be highlighted. While touch upon throughout this report, these issues are summarized below:

Increasing property values

Increasing property values in the city are directly impacting venues. If there are no mechanisms to support venues then, as this report has shown, a critical piece of the value chain is lost. The essence of the music industry also hinges on their value. If venues are forced to book more outside event (e.g. weddings), or only touring acts, cover their costs, then there is less opportunity for up and coming local talent to get that much needed platform. Additionally, business models may have to adjust, shifting more costs (e.g., rental fees) to artists, thus making a career as an artist more expensive, and less attainable for many.

Retention and training of labour force

The sector can only grow if there are talented people able to do the work needed to run the businesses. While there does appear to be a ceiling on the volume of employment—venues already have half of their revenues going to staffing- when positions are vacated, there are limited people to replace them. Furthermore, the sector can never increase its capacity for employment if there are not more talented people in the city- to start new businesses, hire people, and support the careers of artists.

Availability of venues for a range of artists

While there are a large number of venues in the city, it was clear from discussions with artists that the diversity of venues was not reflecting the needs of a diverse music scene. There are limited small-medium sized venues (e.g. for sing-songwriters), and venues with acoustics more geared specific genres (e.g. blues, rock). If artists continue to have to leave the city to find venues that work for them, then the economic impact of the music sector is going to be shifted more and more to benefit other jurisdictions.

5. Summary of Impact of Live Music Venues in Hamilton

This report summarizes the value that venues have to a strong and sustainable music ecosystem in Hamilton. Venues are the foundation of the industry, providing employment, artistic opportunity, and economic growth.

Venues contribute to strong careers for artists, by providing a platform for them to connect to the industry and build new audiences. The success of artists helps to grow the broader music industry in the city. And a stronger economy and healthy businesses help to create a good quality of life in neighbourhoods and the city as a whole.

The economic impacts generated by venues are also a critical part of measuring their impact. Music venues in Hamilton generated an estimated $62.7 million in gross revenue in 2018, with an operating margin of 4%, or $2.6 million. The industry's expenditures generate several economic impacts on Ontario's economy, which can be expressed in terms of GDP, labour income, employment and taxes.

These impacts (a combination of the direct, indirect and induced impacts) are summarized in the chart below:

Table 6: Economic impacts of live music venues in Hamilton

Type	Impact
GDP	**$58.1 million**
Labour Income	**$43.4 million**
Employment	**1,100 FTEs**
Tax	**$18.4 million**

It is clear that live music venues in Hamilton are not only important to those working in, or consuming the music produced by, the sector. Venues are important to the City of Hamilton, and the province of Ontario, providing not only social and creative value, but quantifiable value to the economy.

There are some potential avenues of action that would help to support venues, address their major areas of concern, and ensure their continued impact in Hamilton. These include:

- **Supporting Real Estate** – With increasing property values in the city, paying rent or a mortgage will be a growing expense for venues. There are opportunities to support venues and/or the music ecosystem in this way; be it city owned venues, tax breaks for cultural venues, or licensing and/or zoning for non-traditional venues to make their offerings or rentability more formalized.
- **Increasing Collaborative Action for Audience Growth** – Audience growth is a critical component for the success of an artist. Helping local artist find the right venue(s) for their musical style and for the stage of their career will be crucially important.
- **Recognizing Music as a Tourism Enhancer** – Partnering with other, non-music tourism to collectively package music-related activities for tourists is a potential avenue to increase the per-visit spend for existing tourists.
- **Capitalizing on Collective Economic Impacts of BIAs** – This report outlines the collective value that music venues bring to entertainment areas. There is an opportunity to focus on these areas of density, to encourage collective growth (e.g. through neighbourhood discounts, collective marketing initiatives, etc.)

- **Continuing Grant Support for Artists** – With 28% of venues' revenues coming from municipal grants, this is a critical component for their financial sustainability. Venues indicated in the survey that increased support for artists and bands to play live music is a change they would like to see. This type of support could be in the form of increased grants for performances (e.g. to bring in touring acts, or to host cultural events). Artists can also be supported in this way, as a necessary piece of the music value chain, through grants such as those given by the City Enrichment Fund.
- **Growing Support of Music Workers** – Skilled people to work in the music ecosystem – particularly sound technicians – are limited, which in turn limits the growth of these companies, and the local resources available to musicians. Formalized support for educational opportunities, such as partnerships with local colleges could help to grow a talent pipeline for music industry talent.
- **Continuing to Foster the Strong Local Connections**– Evident in this report is the supportive and tightknit community that exists among musicians, venues and those who work in the music industry. Tapping more formally into this collective mindset would benefit all. It is understood that past formalized initiatives have not seen much success, so the provision of support structures for these types of groups to grow more organically could be the way to go.

Venues are a critical component of a successful overall music ecosystem. Regardless of the form the support takes, without venues, the ecosystem would not succeed overall.

Appendix A. List of Interviewees

The below chart outlines who was interviewed for this report.

Name	Organization
Matt McDowall	First Ontario Centre, First Ontario Concert Hall
Darlene McNeil	Mills Hardware
Arya Kichi	Lincoln Alexander Theatre
Sarah Emkhe	City of Hamilton
Debbie Spence	City of Hamilton
Tim Potocic	Supercrawl/Sonic Unyon
Dana Borcea	Tourism Hamilton
Cristina Geissler	Concession BIA
Buddah Abusah	Musician
Toui Mantok	Musician
Shelagh Rose	Musician
Maximillian Aoki	Musician

Appendix B. Economic Impact Methodology and Assumptions

The survey collected responses from 39 venues in Hamilton, or 35% of the estimated 111 music venues in the City. Given the dearth of available data on music venues, it is not possible to estimate what portion of industry revenue, expenses, and/or employment is represented in the survey sample.

Note that the types of information collected by this survey do not conform to a normal distribution (e.g., company activities and financial results). As a result, margins of error cannot be calculated.

In the process of grossing up the survey sample, Nordicity assumed that any survey data relating to employment and financial performance (e.g., average salaries, revenue, employment growth, seniority of workforce, etc.) are representative of the wider population of Hamilton music venues.

In preparing the economic impact estimates, Nordicity used its MyEIA™ model, which employs Statistics Canada Input-Output tables to compute economic impacts. The inputs for the model are primarily gross revenue for the industry, gross margin, average FTE salary and gross expenditures, as gathered by the survey.

The impact was estimated separately for traditional and alternative venues. For traditional venues, average expenditure, salary and revenue were derived from survey by taking an average of the responses, and grossing up to the total number of traditional venues in Hamilton. For alternative venues, Nordicity assumed that live music is not part of their core business, based on which the team decided to estimate the impact only of the live music events that took place at those venues, as opposed to the impact of their entire operation spending. Gross expenditure for those venues was estimated as follows:

- Desk research to find the number of live music events that took place at alternative venues in sample weeks (one in summer, one in winter)

- Estimating the number of total events in the year based on the sample weeks
- Calculating the gross expenditure as expenditure per event multiplied by the number of events

Expenditure per event was estimated for all venues from the survey which ask venues to provide an expenditure breakdown, as well as the number of acts they featured.

The gross expenditure was allocated as per the categories in the survey and input into the MyEIA™ model, along with the average salary to estimate the contribution of the industry to the economy.

The contribution of the industry to the provincial economy can be articulated in two ways:

- The **direct** economic impact refers to the income, GDP and jobs generated in the course of the industry's day-to-day operations. This economic impact is largely in the form of wages and salaries paid to employees and contract workers.
- The **spin-off** economic impact includes both indirect and induced impacts:
  - The indirect economic impact refers to the increase in economic activity that occurs when venues purchases goods and services from its suppliers. These purchases increase income and employment at the supplier companies and, in turn, increase demand for other upstream suppliers – i.e., the suppliers' suppliers.; and
  - The induced economic impact refers to the increase in household income, GDP and jobs that can be attributed to the re-spending of income by households that earned income at both the direct and indirect stages described above.