



**A brief to the Standing Committee on Finance's pre-budget consultations in advance of  
the 2022 budget**

**Submitted by:**

**Canadian Artists' Representation/Le Front des artistes canadiens**

## **About CARFAC**

Founded in 1968, Canadian Artists' Representation / Le Front des artistes canadiens (CARFAC) is the national professional membership association for visual artists. We represent over 21,000 professional visual artists, including over 4,000 members. We believe that artists, like professionals in other fields, should be paid fairly for their work at all stages of their careers. We educate the visual arts community about artists' economic and legal rights, and we offer professional development opportunities and training to artists. CARFAC strives to be an inclusive and safe space for all, and to accurately reflect the diversity of the artist communities that we serve.

## **Overview of recommendations**

We support the recommendations made by the Canadian Arts Coalition, and the recommendations made by Galleries Ontario/Ontario Galleries.

Additionally, we recommend that the Federal Government:

- 1. Modernize the Employment Insurance program**
- 2. Advance the Canada Council for the Arts' 2021-26 Strategic Plan by investing \$2M for the creation of a high-access Micro-Grant program for artists**
- 3. Create a new program at Canadian Heritage to encourage and support entrepreneurship among visual artists**
- 4. Amend the Copyright Act to include an Artist's Resale Right as an economic marketplace solution for individual artists**

## **Snapshot of the Visual Arts Sector in Canada**

Primarily self-employed, visual, media, and craft-based artists derive income through various revenue streams. It is extremely rare for a single source of revenue to provide enough income to live on. It is a common practice for artists to occupy several roles, including but not limited to: creation, sales, instruction, mentorship, consultancy, speaking, curation, writing, and working for art institutions and organizations. This leads to a mixture of royalties and fees paid, sales, and wages from additional part-time jobs, such as teaching in universities or working for galleries. Many artists and cultural workers supplement their arts incomes with labour in other sectors, which often involves low-paid and/or precarious gig-work.

- According to [2016 Census data](#), there are 726,600 cultural workers, representing 4% of the overall labour force. This includes over 158,000 artists living and working in Canada, representing more workers than in automotive manufacturing and utilities;
- The median income of Canadian visual artists is \$20,000, which is 54% lower than the median income of all workers. 66% of Canadian visual artists are self-employed, compared to only 12% of all Canadian workers;
- Of the 21,100 visual artists in Canada, 16% of visual artists are Indigenous, Black, or racialized. Indigenous, Black, and racialized artists are underrepresented within Canadian cultural institutions both as presenting artists, and within executive management positions and boards. Meanwhile COVID-19 transmission has disproportionately impacted Black, racialized, and low-income communities;
- The [2016 Census](#) revealed that Indigenous, Black, and other racialized artists earn significantly less income than their non-Indigenous/non-racialized counterparts. Indigenous, and Black and racialized artists earn a median income of 68 cents and 72 cents, respectively, for every \$1 for non-Indigenous/Black/racialized artists.

## **RECOMMENDATIONS**

### **1. Modernize the Employment Insurance Program.**

This new program should:

- Insure income, not employment;
- Be accessible to freelance and gig workers, and workers with mixed-employment;
- Be available to those demonstrating a modest level of prior income, and be available without prior individual contribution to the program;
- Be modelled on the success of the Canada Emergency Response Benefit by requiring applicants to have earned a minimum of \$5000 gross income within the previous year;
- Act as an effective safety net by providing unemployed, underemployed, and precariously employed workers with income support up to \$2000/month;
- Encourage recipients to develop and earn employment or self-employment income of up to \$1000 per month

Modernizing the Employment Insurance program is an essential step in acknowledging and addressing the income precarity disproportionately experienced by artists and cultural workers. Most self-employed and contract-based workers in the arts sector cannot afford to pay into the current EI model. As workers in other sectors return to their jobs, artists and gig workers remain highly unstable, particularly as the arts sector is expected to take the longest to recover from the impacts of COVID-19. Without a modernized support program that acknowledges the realities of labour in the arts and culture sector, many will be pushed to social assistance, and further into

poverty, which decreases their chances for positive economic, social, and health outcomes, and is ultimately more expensive in the long-term (i.e., increased public health care costs associated with poverty). A modernized program that ensures *income*, and not *employment* will also address equity, access, diversity, and inclusion in the arts sector, specifically for Canadians who are low-income, and those emerging from intergenerational poverty.

## **2. Advance the Canada Council for the Arts' 2021-26 Strategic Plan by investing \$2M for the creation of a high-access Micro-Grant program for artists**

This program should:

- Increase access for artists by positioning the funding process at the community level. We recommend disseminating these grants through a third-party recommender model that engages grassroots arts organizations to act as the key contact point for artists, and which, based on their experience and knowledge within their own communities, are suitably positioned to provide outreach, and to facilitate a peer adjudication process;
- Prioritize artists identifying as members of equity-seeking groups, and those who face other systemic barriers to accessing arts funding and developing their careers and practices;
- Meet the unique needs of underrepresented artists by employing flexible criteria, eligible expenses, and a simple application process that can be tailored and modified by partner organizations to meet the needs of their communities;
- Provide additional administrative fees for third-party recommender organizations.

Positioning the arts funding process at the community level, and leveraging the expertise of grassroots arts organizations, ensures that more artists are aware of, and can access, funding.

Third-party recommender models are successfully employed by other arts funders; the Ontario Arts Council, for example, engages third-party organizations to assist them with visual, media, theatre, and literary grants. The Toronto Arts Council has made a \$300,000 annual commitment to ArtReach Toronto, which connects marginalized artists and collectives with high-access project grants. Also in Toronto, grassroots arts initiative CUE has, since 2008, provided over \$500,000 in accessible creation grants for BIPOC and marginalized artists. In 2020, a similar model was also employed by the Canada Council in disseminating \$250,000 in emergency support to Indigenous artists and cultural workers through partnerships with Indigenous arts organizations.

### **3. Create a new program at Canadian Heritage to encourage and support entrepreneurship among visual artists**

This program should:

- Focus on building business and marketing capacity, audience development, and professional development for artists and arts entrepreneurs;
- Recognize the unique business and entrepreneurial needs of individual artists at different stages of their practices by allowing flexibility for eligible activities and expenses;
- Employ a simple, accessible application, release grant results within a short turnaround time, and offer a rolling deadline;
- Prioritize artists who identify as members of equity-seeking groups;
- Engage other Arts Service Organizations in the design of this program.

Unlike the performing arts and the literary arts, visual artists do not have any support to develop their market capacity, and to increase their audience reach. Canadian visual, media, and craft artists and arts entrepreneurs require support to meet the costs of marketing and promotion necessary in today's visual arts market. Investing in market capacity is a necessary step in rebuilding and improving economic outcomes for artists following the COVID-19 pandemic, and will result in a more robust Canadian visual arts market.

### **4. Amend the Copyright Act to include an Artist's Resale Right as an economic marketplace solution for individual artists**

The Artist's Resale Right (ARR), or *droit de suite*, is a market-based mechanism that entitles visual artists to share in the ongoing commercial success of their work. It is common for visual art to appreciate in value over time. Canadian artists do not currently benefit financially from further secondary sales of their work, even though its ongoing value is intrinsically tied to the reputation and prominence of that artist. We recommend that when an artwork is resold through an auction house or commercial gallery that the artist should receive a royalty from those profits.

First legislated in France in 1920, over 90 countries world-wide have adopted the ARR. Legislating the ARR in Canada would allow artists to benefit from domestic sales as well as reciprocal arrangements with the other countries where ARR is already implemented. When artists are paid royalties from these sales, the Canadian government will collect taxes on domestic and foreign royalty collection. We recommend that 5% of all eligible secondary sales

of artwork sold for at least \$1,000 be paid to the artist, and royalty collection and distribution should be managed through a copyright collecting society, for administrative simplicity. CARFAC has a detailed proposal for the ARR on our website.

ARR allows artists to achieve a more sustainable income based on the value of their own work. The positive impact of the ARR has already been documented in other countries. In 2014, a study in the UK reported that 81% of British artists that have been paid ARR have used the payments to cover living expenses, 73% use it to pay for art supplies, and 63% use it to pay for studio space.

Indigenous artists will have the most to gain, as First Nations, Metis, and Inuit artists are among the most exploited by commercial resale markets. Indigenous art is highly valued in Canada and internationally, and it is common for dealers and wholesalers to purchase work directly from an artist at bargain prices, only to resell it for substantially more. However, the artists see none of that profit. By comparison, the ARR has had a tremendous impact on Indigenous artists in [Australia](#), where they have had ARR since 2010, and \$8.8 Million (AUD) has been paid to nearly 2,200 artists. Half of the recipients are living artists, and over 65% are Aboriginal or Torres Strait Islander artists.

The implementation of ARR in Canada also provides greater financial independence for senior artists, often living in precarity. [In 2010, it was reported](#) that senior visual artists have median annual incomes of \$5,000. Most art sold in the secondary market was made by artists who are now seniors.

In 2019, the [Standing Committee on Canadian Heritage recommended the ARR be established in Canada](#). They acknowledged that implementing the Artist's Resale Right will help artists maximize their contribution to economic growth and productivity, without the need to increase public funding, as royalties are generated from commercial sales rather than public funding or tax collection.