Sound IMPACT Sonore

A Profile and Economic Impact Assessment
of New Brunswick's Music Industry

March 2015

Prepared by: Nordicity for Music·Musique NB

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ACKNOWLEDGEMENTS

Nordicity would like to thank Jean Surette (Executive Director), Richard Hornsby (President) and Mélissa Thibodeau (Event & Member Relations Coordinator) of Music/Musique NB, for their ongoing support and leadership throughout this ambitious project. We would also like to thank our project partners, Chuck Teed and Monique Poirier, all of the Music/Musique NB Board of Directors, members and funders, without whom this initiative would not have been possible.

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Nordicity is an international consulting firm providing private and public sector clients with solutions for strategy, policy and economic analysis across the arts, cultural and creative industries.

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Music•Musique NB (MNB) is the provincial music industry association that elevates NB's music community through development, promotion and celebration. MNB provides a support network for musicians, managers, venues, festivals and businesses that are involved in the creation of music within the province of New Brunswick. MNB is a non-profit association with ties on regional, provincial, and national levels of government agencies and departments enabling us to lobby and promote our industry and our artists whenever possible. MNB's primary responsibility is to represent the interests of its members and foster the New Brunswick music industry.

Music•Musique NB would like to acknowledge the support of the Province of New Brunswick

Executive Summary

Music/Musique NB commissioned Nordicity to provide a sector profile, economic impact assessment and strategic recommendations for the music industry in New Brunswick in order to inform decision-making for the private sector, government and other stakeholders. Building upon the last study of its kind in 2004, the study provides a reliable and up-to-date assessment of the industry and the significant changes experienced by the industry over the last decade.

A series of primary and secondary research methods were used to collect timely, reliable data, including a literature review, online survey and focus groups. The report comprises (i) an industry profile, (ii) a statistical profile, (iii) an economic impact analysis, and (iv) opportunities for growth.

Industry and Statistical Profile

- New Brunswick is home to over an estimated **280 music businesses** and **670 artist entrepreneurs.**
- New Brunswick's music industry has experienced an estimated **284% increase in industry revenues** over the last decade, rising from $19.9 million in 2003 to **$76.5 million in 2013**.
- Approximately **one-third of revenues were derived from New Brunswick music**, one-fifth from Canadian music outside of New Brunswick, and one-twentieth from non-Canadian music.
- The primary sources of revenue were **live performance, education** and **sales of sound recordings**.
- New Brunswick's music industry accounts for a total of **$36.6 million in expenditure**.
- The primary sources of expenses were **labour costs**, followed by travel, equipment and fees paid to other artists.
- The most prominent music business activities in New Brunswick were in the live music sector, starting with **promoting**, followed by **live events management**, and **managing artists**.
- Music businesses and professionals in New Brunswick employ an estimated total of **390 employees, resulting in 290 FTE jobs**.
- Generating **$13.5 million in total wages**, the average **FTE salary is approximately $46,000** and the company **operating margins are estimated at 3.8%**.
- New Brunswick music businesses and professionals promoted or hosted over an estimated combined total **of 5,430 live performances** in 2012.

Economic Impact

- The total economic impact of the full music industry in New Brunswick was **954 FTE job**s (in addition to **676 artists**), **$41.2 million in labour income** and **$65.2 million in GDP**.[1]
- For every $1 of music industry expenditures, approximately **$0.90 is captured by the New Brunswick economy**.[2]
- The total fiscal impact of the full music industry in New Brunswick was **$19.6 million in tax revenues** to all levels of government.
- Federally, the New Brunswick music industry contributed **$5.8 million in personal income taxes**, **$1.4 million in corporation taxes** and **$1.9 million in consumption taxes to government**.
- Provincially, the New Brunswick music industry contributed **$3.6 million in personal income taxes**, over **$300,000 in corporation income taxes**, **$4.1 million in consumption taxes** and **$2.3 million in local property taxes and other fees to government**.

Opportunities for Growth

- There is an opportunity for the music industry association to address industry demand by playing a greater role in the **design and administration of public funding**.
- There is the opportunity to leverage the province's unique set of strengths and prepare it to take advantage of its opportunities, such as its unique **linkages with the francophone, Quebec, Acadian and European markets**.
- There is an opportunity to support artists, businesses and professionals in **expanding their networks** and leverage existing strengths within and beyond New Brunswick.
- There is an opportunity to build **closer linkages and dialogue** with industry stakeholders and policymakers.
- An **increased music industry education** would advance the sector's skill set, general competitiveness and overall sustainability.
- Facilitating **industry collaboration between different regions** of the province could unlock new synergies and unleash unrealized potential and opportunities.
- **Increasing outreach** with the community, including young people and students, about the opportunities available through the music and cultural industries could open the sector's creative and employment opportunities to a wider pool of citizens, jobseekers and new talent.
- **Developing a music sector mentorship program** could unlock employment opportunities for citizens of New Brunswick.
- **Establishing a 'cultural orientation' initiative or 'cultural sector liaison'** for the general public could increase music industry engagement, audiences and participation.
- **Establishing an 'educational toolkit'** could provide required skills and training resources needed by the province's music industry

[1] The full music industry includes both the 'core' and 'wider industry'.

[2] The total music industry expenditures in New Brunswick was estimated at $36.6 million in 2013.

1. Background

This section provides an overview of the background to the study, including the aims and rationale for the study, the methodology deployed and the intended study outcomes.

1.1 The Rationale

The rationale for this report is to provide a reliable and up-to-date sector profile and economic impact assessment of the music industry in New Brunswick in order to inform decision-making for the private sector, government and other stakeholders.

The most recent statistical information on the province's music industry prior to this study was over ten years old, when Music/Musique NB published its last economic impact study in 2004. In this time, the New Brunswick music industry, and indeed the global music industry, has undergone a period of dramatic change. In light of major industry developments, and in order to inform decision-making by industry, government and other stakeholders, this report provides a snapshot of the state of the New Brunswick music industry and a robust analysis of its impact on the provincial and national economy, as well as strategic recommendations for its future.

The study is timely and important to the New Brunswick music industry as the sector aims to become increasingly cohesive and convergent. As Music/Musique NB plans to invest in new and improved programming, the study aims to address industry challenges and opportunities to inform its forthcoming strategic plan.

1.2 Methodology

Nordicity adopted a combination of primary and secondary research methods to undertake the study. Data was collected and assessed through a literature review, survey and focus groups, and analysed and validated for the sector profile, economic impact assessment and strategic recommendations.

Literature Review

An extensive literature review was undertaken throughout the duration of the project. Comprised of existing research from both internal and publically available sources, the literature review supported the analysis and development of the industry profile and provided a sound foundation for the design and analysis of the survey and focus groups.

Music/Musique NB's Profile and Economic Impact of the Music Industry of New Brunswick (2004) formed the benchmark for this study. Nordicity's recent research for the music industry, including CIMA's *Sound Analysis* study, Music Canada's *The Next Big Bang*, Manitoba Music's *SoundCheck* and the *Music Nova Scotia Export Strategy*, provided valuable data and transferable insight, alongside Nordicity's research for NB Department of Wellness, Culture and Sport's *Statistics and Benchmarks for the Performance of New Brunswick's Cultural Industries* study and *Cultural Industries Development Strategy*.

Online Survey

An online survey was deployed to collect data from music artists, businesses, professionals and organizations in order to develop the industry profile and assess the industry's economic impact. The survey was open for a period of six weeks from July 9th to August 16th, 2013. To attain a reliable response rate, the survey was strongly promoted by Music/Musique NB and cross-promoted by a number of partner stakeholders.

A total of **243 survey responses** were collected of an estimated total of 957 potential respondents based on industry databases provided by Music/Musique NB and its partners. The survey response comprised 206 music artists (“**artists**”) (survey sample size ‘n’) of an estimated total 676 (music industry population size ‘N’), resulting in a margin of error of +/-5.7% (95% of the time). For music professionals and businesses (“**music businesses**”), the survey response comprised a sample size (‘n’) of 37 of an estimated total population (‘N’) of 281, resulting in a margin of error of +/-15% (95% of the time).[3]

	2003			2013		
	Survey Sample Size (‘n’)	Music Industry Population (‘N’)	Survey Coverage	Survey Sample Size (‘n’)	Music Industry Population (‘N’)	Survey Coverage
Artists	58	1,100	5%	206	676	30%
Music businesses	34	150	23%	37	281	13%
Total Industry	**92**	**1,250**	**7%**	**243**	**957**	**25%**

Source: Nordicity survey of the NB music industry (2013)

In order to extend the survey results from the sample for analysis to provide extrapolated estimates for across the entire sector population[4], Nordicity developed a database of music artists, businesses, professionals and stakeholder organizations in New Brunswick by which to deploy a multiplier. The database was compiled by a number of sources, including a series of contact databases provided by industry stakeholders[5], survey questions, focus groups and ongoing web searches. The master contact database was consolidated and validated by cross-referencing and reconciling entries from the multiple sources in order to remove duplicate and ineligible individuals. Further web searches were performed to validate the status (e.g. currently active) and eligibility (e.g. based within New Brunswick) of the entries, resulting in a chain reaction of subsequent queries and validation.

The survey gross-up (or multiplier) figures were validated in three separate activities: Nordicity estimated the size of the industry first by comparing the grossed-up survey data with Statistics Canada employment data for New Brunswick; second by comparing it to queries undertaken using Hoovers’ Dun and Bradstreet (D&B) database of artists, professionals and businesses registered in New Brunswick; and third by verifying alongside Music/Musique NB’s informed estimates. To establish estimates for the music industry population (universe), Nordicity prepared a profile for an average artist and business in the sample, and then multiplied that average profile’s revenue, expenditure, employment and output by the number of artists and businesses in the estimated population.

Given that the analysis of industry segments was divided into smaller sub-segments, in some cases the sample size of survey responses was not large enough to be included in the analysis. Each of these segments was either ‘grossed-up’ separately or not included in the report.

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[3] The confidence level in the 2004 study was 12.6% (95% of the time) for artists and 15.1% (95% of the time) for professionals. Profile and Economic Impact of the Music Industry of New Brunswick (2004).

[4] In obtaining this sample, Nordicity assumes that any selection biases cancel themselves out. In other words, no particular company or artist is more or less likely to have responded to the survey.

[5] Music industry contact databases were provided by sector stakeholders including Acadian Associations of Professional Artists in NB (AAAPNB), Music/Musique NB, Nordicity, NB Youth Orchestra, Symphony NB and the Canadian Federation of Music Teachers’ Association (CFMTA).

Focus Groups

A series of four focus groups were conducted with over 30 representative industry stakeholder participants. Held at accessible locations strategically distributed across the province and conducted in both official languages at different periods of time; the focus groups were designed to ensure both geographic and demographic representation throughout the study. Near the beginning of the project, two focus groups (French and English) were conducted in order to gather qualitative and contextual information and to shape the research, survey and analysis itself. Near the end of the project, the remaining two focus groups (French and English) were held to test and validate the findings in addition to providing further contextual information to the analysis and strategy development. A full list of focus group participants can be found in Appendix A.

Economic Impact Analysis

The economic impact analysis was derived using estimates compiled and prepared by Nordicity and the input-output (I-O) tables provided by Statistics Canada to generate estimates of the impact that New Brunswick's music industry had on the economy.

The total economic impact included the direct, indirect, and induced impacts, and the fiscal impact included the tax revenues received by government.

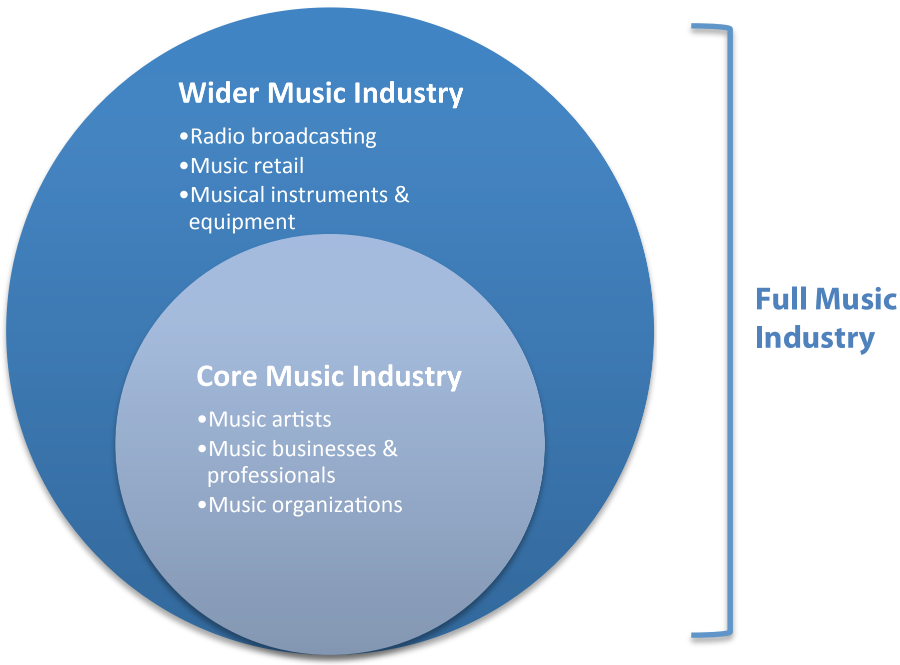
- **The direct economic impact** refers to the increase in GDP, household income and employment generated directly from within the music industry in New Brunswick. The direct economic impact estimates were established by converting data from the survey and secondary sources for music industry revenues and operating expenditures into estimates of GDP, as well as wage, income, employment and tax revenues. These estimates were cross-referenced with Statistics Canada's Input-Output (I-O) tables for the Arts, Entertainment and Recreation industry.
- **The indirect economic impact** refers to the increase in GDP, household income and employment in the other sectors that supply inputs to the music industry in New Brunswick. The indirect economic impacts were established by converting data from the survey and Statistics Canada's I-O tables. The primary source of indirect economic impact occurs when music artists, professionals and organizations source inputs from other industries, as these stimulate an increase in output and employment in those industries, thus producing a further economic impact that is 'indirect'. The secondary source of indirect economic impacts occurs when live performances and music education stimulates an increase in output and employment in the hospitality, tourism and music education sectors.
- **The induced economic impact** refers to the additional economic activity that occurs due to the re-spending of household income throughout the wider New Brunswick economy. In the absence of data and multipliers from Statistics Canada, economists typically rely upon proprietary macro-economic models to estimate the induced economic impacts. To that end, this study deploys the MyEIA Model, a macro-economic model developed by Nordicity that uses the marginal propensity to consume (MPC) and marginal propensity to import (MPM), in order to translate household income at the direct and indirect stages into estimates of the induced economic impact.
- **The total economic impact** refers to the sum of the direct, indirect and induced economic impacts.
- **The fiscal impact** refers to the tax revenues received by the federal, provincial and local governments from the music industry. The fiscal impact model uses average effective tax rates for personal income, corporate, consumption (i.e. sales) and property taxes.

1.3 EIA Scope

For this music EIA the key channels of music dissemination were: live performance, radio broadcasting/webcasting, retail (physical and digital) and the licensing of its use in other media (e.g. films, advertising and video games). TV broadcast and other dissemination platforms fall outside of the scope of the typical value chain for music EIAs and this study.

The economic impacts of the full music industry are also presented disaggregated into the 'core' and the 'wider' industries and Nordicity prepared estimates of the total employment, fiscal and economic impacts attributable to New Brunswick's music industry.

Figure 1 - The Full Music Industry (comprising core and wider music industry)



Source: Nordicity

Within the core and wider music industry segments, the value chain was further subdivided through a series of music industry activities, rather than occupational titles. This 'industry activities' approach was adopted so as to better take account of the proliferation of the multiplicity of activities increasingly undertaken by a wider range of industry actors.

The following list of music activities was presented to industry members throughout the consultation to self-identify as activities they undertake:

- Creating & performing music
- Label activities
- Producing & recording music
- Publishing music
- Managing artists
- Live events management
- Professional services provision
- Retail (physical & digital)
- Education
- Equipment rental
- Promoting
- Other

1.4 Definition of the Music Industry

In order to reliably analyze and assess the New Brunswick music industry, Nordicity started with the definition derived in CIMA's *Sound Analysis* study, expanding upon it in order to map out the 'full' music industry value chain for the province of New Brunswick. The definition included a 'core' music industry and an additional 'wider' music industry, both of which together constituted the 'full' music industry.

The 'core' music industry comprises music artists, music businesses and professionals, and music organizations.

The 'wider' music industry comprises radio broadcasting, music retail and musical instruments and equipment in addition to the 'core' industry.

The 'full' music industry includes both the core industry and the wider industry.

1.5 Relation to Other Comparable Studies

The study was developed in order for the report to be consistent with other comparable studies. Drawing upon Music/Musique NB's *Profile and Economic Impact of the Music Industry of New Brunswick* (2004) and CIMA's *Sound Analysis: An Examination of the Canadian Independent Music Industry* (2013), research results and methods (including taxonomies and survey design) were leveraged for maximum comparability.

There are limitations of study comparability; while the data from 2004 isn't directly comparable, it can provide an illustrative view of trends and changes in the sector. In the case of this study, the project scope was enlarged beyond that of the 2004 study to include not only the core music industry but also the wider music industry. In addition, evolutionary changes within the music industry as well as enhancements in data collection methods since the previous studies mean that the data will not be directly comparable. When analyzed alongside the 2004 study, however, the findings of the two studies are indicative of a general trend towards industry growth, diversification and sustainability.

2. Industry Profile

This section presents a profile of the music industry in New Brunswick. The findings are based on an analysis of the survey and focus group sessions and provide the baseline for the economic impact assessment and strategic recommendations.

2.1 Contextual Profile: Insight & Analysis

New Brunswick's music industry is as rich and dynamic as its culture and history, boasting an impressive roster of music artists, professionals and organizations representing the diverse communities found across the province. Many of these industry actors have excelled over the last decade since 2004.

Since 2004, New Brunswick's music industry and the music industry globally, have undergone significant changes. At the time of the last study, the impact of digital disruption had not fully taken root: the first peer-to-peer file sharing service, Napster, had been introduced shortly prior to 1999; Apple had launched the first iPod in 2001 and the iTunes music store in 2003; and it wasn't until 2004 that official download charts had started or when social networking site MySpace had debuted. Since then, Apple sold 500 million units through iTunes and 30 million iPods globally, and in 2005 it sold its one billionth unit on iTunes the following year; and it wasn't until 2009 that streaming magnet Spotify launched globally, and when over a fifth of industry revenues were coming from digital. In 2012, for the first time ever, 'digital' accounted for more than half of the music industry's revenues; in 2013 global revenues from subscription services rose by over 50%; and in 2015 Apple sold its 1 billionth iOS device. These changes have had a dramatic effect on the music industry in New Brunswick and globally.

The music industry of New Brunswick is notable for its unique duality rooted in Acadian and English New Brunswick cultures and the resilience and innovativeness of its artists across multiple genres. The music industry boasts a high calibre of artists celebrated domestically and internationally ranging from emerging artists such as The Motorleague, Andy Brown and Lisa Leblanc to established artists such as Julie Doiron, Measha Brueggergosman and Roch Voisine. Acadian culture has continued to distinguish New Brunswick from its peers, and provided a unique entry point into other markets with emerging artists such as Caroline Savoie, Les Hôtesses d'Hilaire and Les Hay Babies.

> *As music businesses and artists, we hold the key to success… hard work, self-promotion and great music.*
>
> **- NB music artist**

Equally, New Brunswick's rich music ecosystem also reflects the diversity of firms driving the industry, ranging from major employers such as SABIAN Cymbals, Tony's Music Box and Long and McQuade to local enterprises such as Distribution Plages Ltée, Outreach Productions and Malkin Music. Demonstrating private sector confidence in the local business environment, the province has become home to a new francophone music label, Le Grenier Musique, and has seen tremendous export success of its artists across Canada and abroad.

Representing the New Brunswick music industry with a membership of over 300 is Music/Musique NB, leading the sector as its voice and vision. The province's many celebrated festivals and venues such as le Festival Acadien de Caraquet, Folly Fest, Sappyfest, Harvest Jazz & Blues Festival and the Miramichi Folksong Festival contribute significantly both to the province in general, acting as platforms for celebrating and developing homegrown talent and attracting industry players from around the world.

The music industry of New Brunswick can be characterized in the following ways:

- Small population, market size and geographic isolation
- Convergence of industry roles and activities
- Shortage of music industry infrastructure
- Music artists as micro-enterprises and artist entrepreneurs
- Renaissance in a new wave of New Brunswick artists and genres
- Bilingual market celebrating a rich blend of francophone and Anglophone culture
- Strong live music sector and community of festivals, events and venues
- Offering of skills, training and education

2.2 Small population, market size and geographic isolation

As one of the smaller markets in Canada, New Brunswick's population of over 750,000 is a stratified one. With a relatively high rural population of nearly 40%, the remaining 60+% of the population lives in a number of smaller cities geographically dispersed across the province.[6] The music industry hubs, meanwhile, are centered largely on the main cities of Fredericton and Moncton. New Brunswick is also geographically segregated from other music centres, including major music markets in Canada and globally. Therefore, in order for the music sector to function effectively and sustainably, it needs to facilitate industry activity both across the province and with the world outside the province.

New Brunswick's smaller, community-oriented music industry acts not only as an ecosystem within the province itself, but it is at constant threat of losing ever more music artists and professionals to other provinces in Canada. In this manner, it has been noted by industry members that New Brunswick operates as a feeder for larger industry centres across the country often at the expense of the province itself.

As a result of the music industry in New Brunswick still being considered an emerging industry, it is often difficult for regional artists and industry professionals (beyond a few that have made it) to garner recognition outside of the province. Consultations revealed that those having tended to find success outside of New Brunswick are often compelled to relocate to larger centres, such as Halifax, Montreal, and Toronto.

The music industry of New Brunswick is widely dispersed across the province (see the map of the geographic distribution NB's music industry in the figure below). While the geographic dispersion helps the rural and remote segments of the province's music industry flourish, it has been noted as constraining the sector's ability to sustain the infrastructure necessary for growth and achieve economies of scale.

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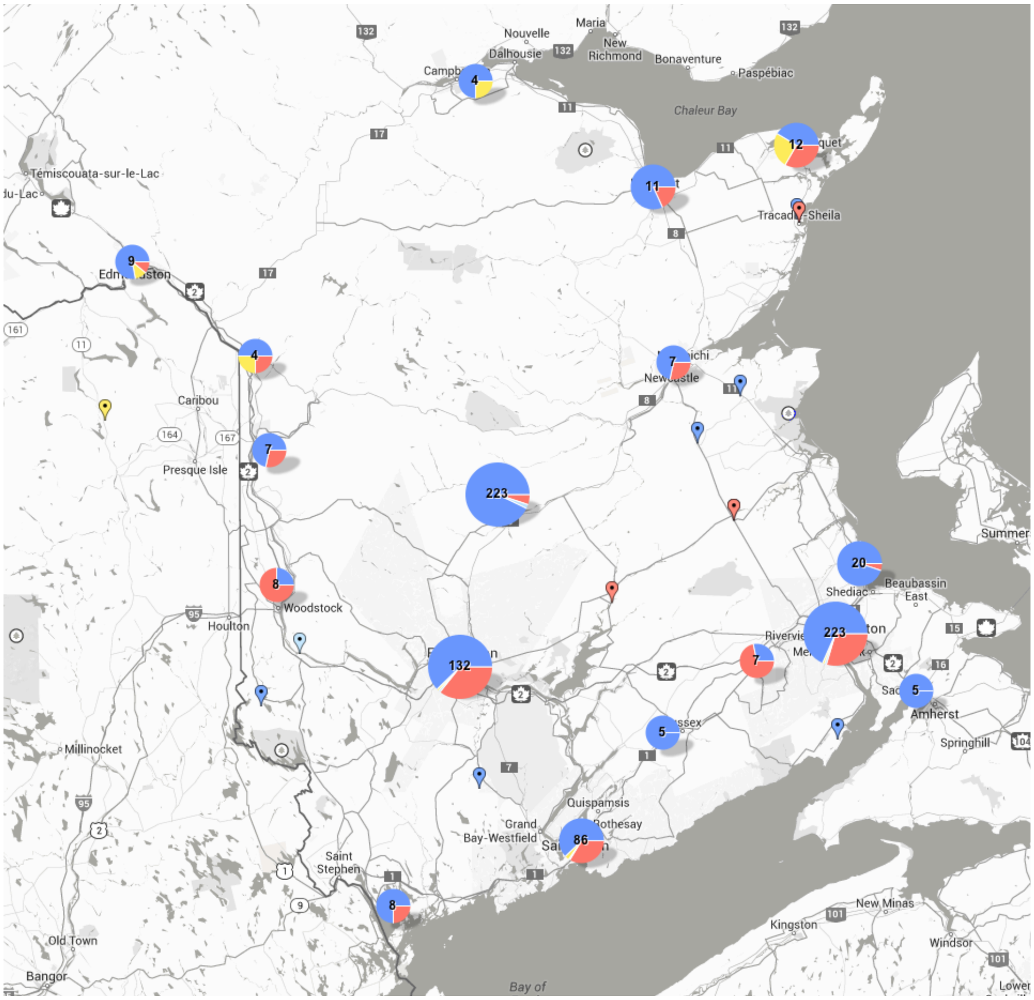
[6] Statistics Canada, *Census of Canada* (2011)

Figure 2 - Geographic distribution of the NB music industry (artists, businesses, professionals & organizations)



Source: Nordicity research, batchgeo

Note: Numbers do not sum do to the origin and completion rate of the data deployed.

Conclusions:

- Exports outside the province are critical for the industry's health, sustainability and continued growth.
- Industry infrastructure capacity in the province is limited in general; even where infrastructure is more readily available, there is often an issue of allocation of infrastructure resources as they tend to be dispersed in different centres across the province. As such, there is a lack of one prime industry hub.
- Travel within and beyond the province is critical for New Brunswick's music artists, businesses and professionals for the purposes of accessing industry infrastructure, creating and performing, promoting and exporting.
- The costs of working in the music industry in New Brunswick are high, due to the necessary investment in travel for touring, promotion, sales and professional development.
- Collaboration among the province's music artists, businesses and professionals is strong. Meanwhile, the stratification of the music sector (geographic, cultural and linguistic) also naturally results in unintentional sector silos or parallel industries.
- Digital technologies present new ways for music artists, businesses and professionals to address the weaknesses and opportunities presented by New Brunswick's small population, market size and geographic isolation. Digital technology can bridge New Brunswick's artists, businesses and professionals to audiences, consumers and industry infrastructure around the world, opening it up to the global market.

2.3 Shortage of music industry infrastructure (music businesses)

New Brunswick's music sector has long faced a shortage of music industry infrastructure, otherwise known as music businesses and professionals. [7] Meanwhile, over the past decade, New Brunswick's music sector has made great strides in the development of its industry infrastructure, with more and better equipped music businesses and professionals.

Since 2004, New Brunswick's music industry infrastructure has grown with the establishment of a new record label, a music distributor and more music professionals offering services such as artist management, booking and recording. At the same time, consultation suggested that music artists and professionals were also taking on more business activities themselves, even if this wasn't expressed directly in the survey data.

The majority of music business time is spent on activities related to live performances, including promoting (20%) and live events management (18%) as illustrated in the figure below. Time spent managing artists is also significant, accounting for 10%. It is worth noting here that 17% was attributed to 'other' activity, which we believe to be an artefact and the result of the difficulty of self-identifying activity within New Brunswick's complex music ecosystem.

Meanwhile, there remains a stated shortage in the provision of certain critical core industry activities. The areas least served by the province's music industry infrastructure were in sales (2%), publishing (3%), and both equipment and label activities (4% each). Time spent on professional services was only 5%, whereas, time spent on education and producing/recording services was 6% each and creating and performing music, 7%.

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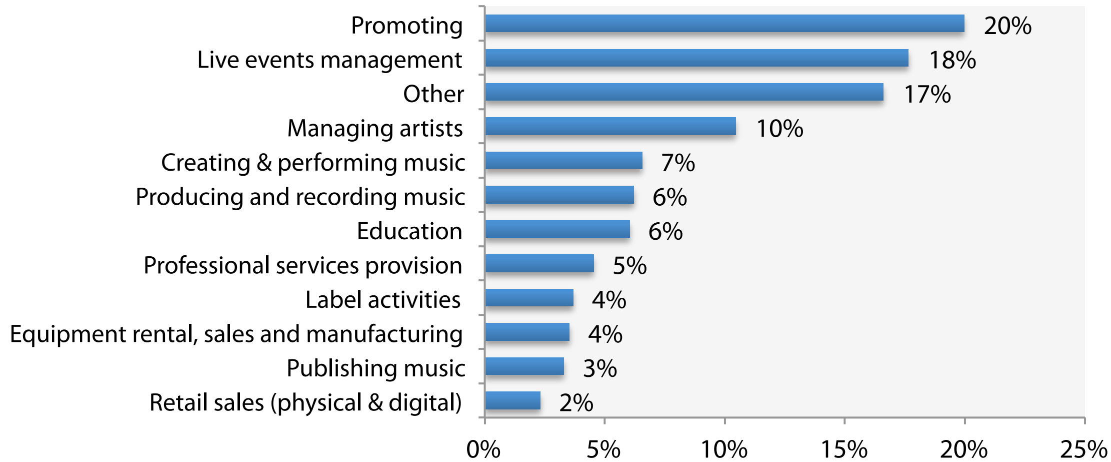
[7] EEC Canada, *Profile and Economic Impact of the Music Industry of New Brunswick* (2004)

Figure 3 - Music business and professional activities (% of time spent by the average music business)



Source: Nordicity survey of the NB music industry (2013)

One of the most significant infrastructure challenges facing New Brunswick is the noted shortage of opportunities for new and emerging artists to perform live. Traditionally, live performance has been the primary training medium in which new and emerging artists gain the critical skills and experience needed for their professional development. Venues are a crucial part of the industry infrastructure, often acting as the launch pad for artists to grow, develop and promote their trade. The relatively limited availability and suitability of venues within New Brunswick has introduced a bottleneck in the nurturing of the province's new and emerging talent.

The shortage of music industry businesses, professionals and infrastructure in New Brunswick presents challenges on the sector's ability to grow and develop. As a result, industry members must often source professional services from outside the province. In some cases, industry members may relocate themselves to have access to greater music industry infrastructure. In this way, New Brunswick has been noted as one of the country's 'feeder' provinces for larger industry centres across Canada (most notably Halifax, Montreal and Toronto).

As many artists and professionals seek to grow, they often tend to relocate to larger centres with substantial music industry infrastructure. Seeking broader industry ecosystems for a wider pool of music professionals, such as managers, labels and booking agents, a number of celebrated New Brunswick artists have moved outside of the province. Notably, it has been suggested that a number of New Brunswick artists have relocated in part to these challenges, such as David Myles, Matt Andersen, Wilfred Lebouthilier, Annie Blanchard, Julie Doiron, Joseph Edgar, Jean-François Breau, Rémi-Jean LeBlanc, Joe Grass, Alain Bourgeois and Nathalie Paulin. Meanwhile, however, increasingly New Brunswick artists are expressing a desire to continue their career while keeping a foot within the province. This movement also adds to the notion of New Brunswick as a feeder province for other music centres.

Conclusions:

- New Brunswick's music industry has enhanced its infrastructure over the last decade; however, there still remains a shortage in industry infrastructure.
- Notable gaps in the market include the roles and activities of music production, publishing, labels, as well as artist managers and booking agents. According to the survey, while these traditionally underrepresented activities were seen to represent growth areas, professional services were not. As a result, many artists have been self-managing and booking and undertaking label activities themselves. This challenge was reported on highly in the 2004 study and the issue remains a critical point for the sustainability and future of the sector.
- The imbalance between the province's artists and the industry infrastructure available to support them undermines the artists' and, indeed, the industry's ability to realize its full potential.
- Music artists are often compelled to source industry infrastructure from outside of New Brunswick. Indeed, some New Brunswick music artists have gone on to pursue their careers outside of the province, in part as a result of a lack of industry infrastructure.
- The activities most well served by New Brunswick's industry infrastructure are promoting, live events management, managing artists and other industry activities.
- The activities least well served by New Brunswick's industry infrastructure are sales, publishing, equipment, label and professional services.
- There is a noted shortage of opportunities for new and emerging artists to perform live.
- The availability, capacity and quality of venues and their staff are critical to the success of New Brunswick's music industry.

2.4 Convergence of industry roles and activities

Nationally, there has been a trend towards consolidated music business functions, where music companies have been taking on more roles and activities such as label, manager and publisher activities[8]. In New Brunswick, the notion of any artist, business or professional taking on multiple roles and activities has been the norm for many years, largely out of necessity as a result of the limitations of the industry infrastructure. Indeed, there is much overlap between the artists and industry infrastructure in New Brunswick, as in addition to their work as artists, many also work as music professionals or for music businesses.

For music businesses and professionals expanding their service offerings to encompass more label, manager and publisher activities, this has come as both an opportunity and a challenge to the industry. As an opportunity it has provided additional and diversified income streams, while as a challenge it has added to the financial and human resources costs borne by industry services and introduced additional pressures on capacity and skills as more is being done by the same businesses and professionals.

Similarly, many music artists have also taken on more of these label, manager and publisher roles themselves. While this has empowered their ability for greater self-determination, it has also introduced additional pressures on their time and ability to navigate these complex activities. An already overburdened music industry infrastructure and artist community exacerbates these challenges.

Conclusions:

- The convergence of industry roles and activities is prominent in New Brunswick. Artists, businesses and professionals are taking on a broader and increasingly overlapping range of industry activities. Therefore, there is an increased commonality in the business skills needs and opportunities for artists, businesses and professionals across the sector.
- While the convergence of industry roles and activities can present new opportunities, it also introduces significant new challenges to an already overburdened sector of music artists, businesses and professionals.

2.5 Music artists as micro-enterprises (or artist entrepreneurs)

The role of a music artist or music professional is becoming increasingly entrepreneurial, resulting in artists operating as micro-enterprises. In the case of New Brunswick, the shortage of industry infrastructure alongside a 'do it yourself' culture intensifies this trend. Compelled to remain and cultivate their careers in New Brunswick and in the face of a limited industry infrastructure, a number of music artists have developed their business skills in order to become self-managed, self-labeled and self-published. The rich tapestry of New Brunswick's thriving cultural and music sector can be credited to the artists and professionals themselves who have developed this distinctive combination of creative and business skills.

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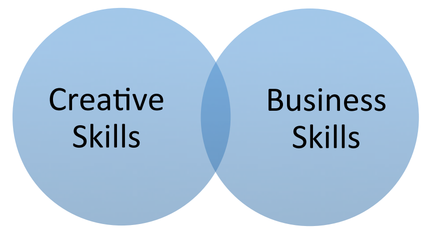
[8] Nordicity, *Sound Analysis: An examination of the Canadian Independent Music Industry*. CIMA (2013)

Most artists and industry professionals in New Brunswick do not enter the music industry full time. Many, therefore, supplement their income through additional work in order to sustain their careers in the music industry. Those who participate in the industry full time often juggle several industry positions in order to generate enough income to sustain a career. This means artists have to develop not only their creative skills, but also the business and organizational skills required of any entrepreneur or enterprise.

Industry professionals tend to work in fields such as live sound engineering, studio engineering, education and non-profit sectors. In effect, many artists are cross-subsidizing their music careers from non-music employment. There are very few industry professionals developing music artists within the region, as it is a challenge for most artists to generate enough revenues to procure professional services such as management and public relations. In the region, therefore, many artists are self-managed or work as part of an artist collective (some formal, others informal) to decrease professional costs.

Figure 4 - Skills of today's artist entrepreneur



These trends are reflected in the survey responses, where a majority of New Brunswick music artists have incorporated as a business (89%) compared to 11% who remained operating as unincorporated entities. Of these artists, the vast majority had considerable sector experience, with only 21% being new entrants to the market with under five years of experience.

Figure 5 - Legal structure/status (Music Artists)

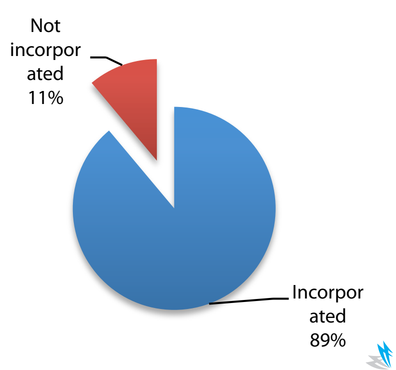
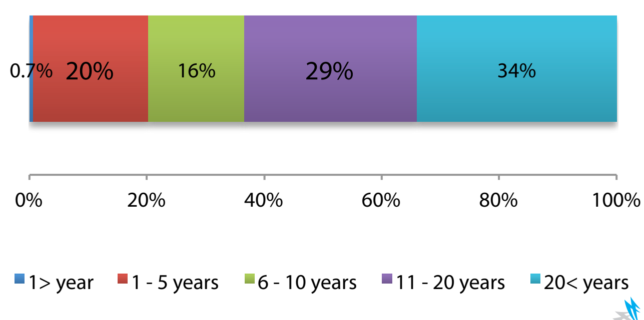


Figure 6 - Years of experience (Music Artists)



Source: Nordicity survey of NB music industry

Conclusions:

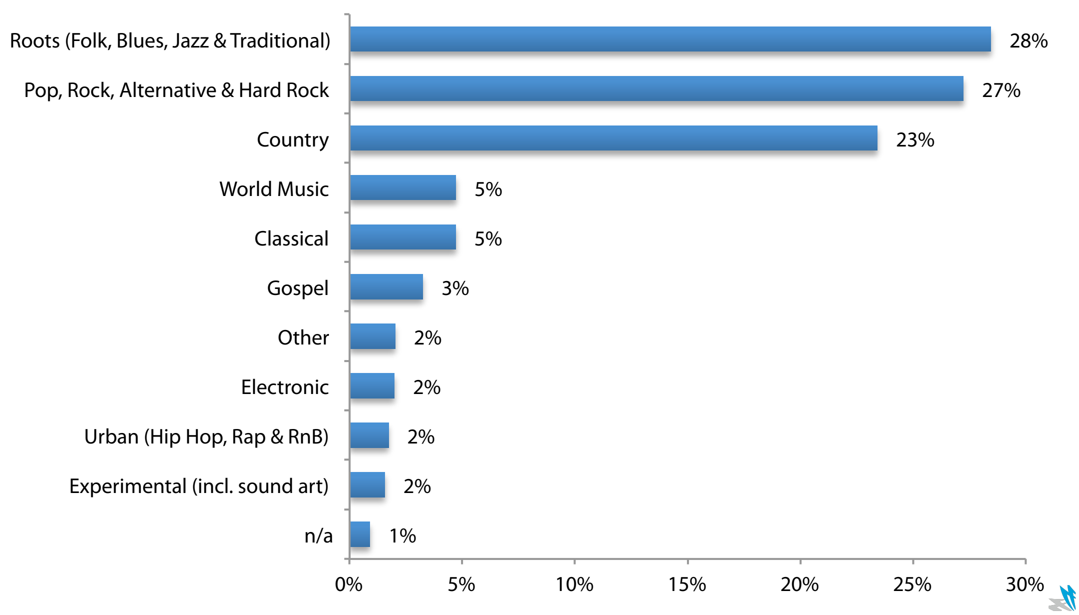
- Music artists increasingly require business skills support and training, including self-producing, self-managing, self-publishing and self-promoting and releasing works.
- In addition to the financial constraints faced by artists, the entrepreneurial element to their career reduces the time and capacity they have to create and perform their work.
- The design and provision of skills, training and education for the music industry should take into consideration the needs of the artists and professionals. For example, ensure needs are met across the broad range of experience, including the one-fifth of the industry with five years or less experience, and the availability of the artists and professionals, including those who supplement their income through additional work within or beyond the music industry.

2.6 Renaissance in a new wave of artists and genres

New Brunswick has undergone a renaissance, experiencing a new wave of artists over the last decade. It has also seen the introduction of more diverse new sounds. The province's musical traditions are often characterized by folk and Acadian music and whilst these still remain strong, the province now encompasses a multitude of new and exciting genres.

Roots music remains the largest genre in which New Brunswick music businesses, professionals and artists work (28%). It is closely followed by the pop, rock, alternative and hard rock (27%) and country (23%) genres. Meanwhile, world music and classical each accounted for 5%, followed by gospel (3%), Other, electronic, urban and experimental (2% each).

Figure 7 – Musical genres in which NB music businesses, professionals and artists work



Source: Nordicity survey of the NB music industry (2013)
Note: Totals may not sum to 100% due to averaging.

Conclusions:

- New Brunswick's expanded and diversified music offering should be celebrated and promoted to outside markets.
- Sector support should consider the diversity and breadth of the market as part of its bid to be inclusive and realize the potential of all genres.

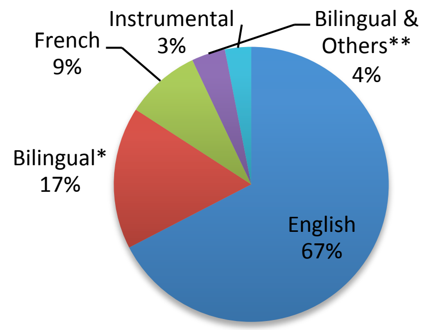
2.7 Bilingual market celebrating a rich blend of francophone and anglophone culture

As Canada's first and only officially bilingual province, New Brunswick boasts a vibrant multicultural and linguistically diverse music industry. While nearly 65% of the population spoke English and over 30% spoke French as their mother tongue, there was much crossover in daily life and many of these speakers were bilingual both at home and in the workforce. As a result there exists essentially two New Brunswick music industries, by and large represented by parallel sectors of francophone and anglophone music businesses, professionals and artists, each with small but increasing cross-cultural elements.

These two groups are working increasingly collaboratively, and there is a demonstrated appetite for continued development of synergies, with a shared vision of cooperative growth and the opportunity to leverage their respective strengths. Increasingly, other communities, including Aboriginal music industry members, have increased their collaborative efforts with the anglophone and francophone music communities alike.

Of the survey's total 250 responses, a significant number of music acts reported working in a bilingual environment of both French and English (17%), and in some cases other languages (4%). The majority of individuals working in a bilingual environment identified primarily as francophone industry members. The bilingual proficiency of the francophone music sector has been noted as a strategic advantage that has helped many artists in reaching wider audiences both nationally and internationally.

Figure 8 – Languages worked in by music artists



Source: Nordicity survey of the NB music industry (2013)
Note: Language figures are indicative of the sample population ('n') of survey responses only and not necessarily the total population ('N').
*Many artists who reported as 'Bilingual' in the survey actually identify as francophone.
** Others primarily constitute Gaelic language, followed by German, Italian and a small number of other languages.

Over the past decade, the francophone sector has developed an effective network of cultural industry support organizations, including associations and not for profits. This evolution has resulted in what has become a collaborative and coordinated approach, and adopting a unified vision underpinned by the report, 'A Global Strategy for the Integration of Arts and Culture into Acadian Society in New Brunswick'. Growth in this field has come in part as a result of new investments in the francophone community, such as through Francofête and SPAASI.

The anglophone sector has strong links to much of English-speaking Canada. The diversity and dispersion of the anglophone sector, meanwhile, make for challenges in cohesion and coordination. The francophone music community has been noted as being relatively well connected and highly collaborative within the province. It has also found increasing success on a national and international level, drawing upon its strong network of francophone professionals, a clear expression of its own strengths and its resoundingly coherent voice. As a result, strong networks have developed, particularly throughout the Acadian cultural regions ('l'Acadie') in the Maritime Provinces, which represent a market exceeding 300,000 people, as well as in the much larger markets of Quebec and France.[9]

[9] Acadian World Congress, *Global Strategy for the integration of Arts and Culture into Acadian Society in New Brunswick* (2009).

Francophone and Acadian Culture

New Brunswick has a rich tradition of francophone and Acadian culture. Over 300,000 Acadians live in Canada's Maritimes, comprising over 15% of the region's total population. In New Brunswick, Acadian culture is even more influential, where they account for 33% of the total population. [10] Prominent along the east coast, the northeastern Acadian Peninsula region, the north and Midwest, there are also large communities found among the larger, mainly English speaking centres of Moncton, Fredericton, Saint John and Miramichi.

> "Contemporary Acadie is… a virtual concept… that comes from the origins of their ancestors, their attachment to Acadian culture, history and customs, and from the way Acadian society has evolved and flourished since the founding of "La Cadie" when the first French settlers reached the shores of North America."
>
> Source: A Global Strategy for the integration of Arts and Culture into Acadian Society in New Brunswick. Acadian World Congress (2009).

Conclusions:

- As the francophone and anglophone music markets can operate as parallel sectors, there is an opportunity for bridging together these two communities for a more coordinated, collaborative and joined-up approach.
- While there is room for francophone and anglophone communities to increase their collaborative efforts, the industry has already made great strides in working together.
- New Brunswick has a strategic advantage in exploring opportunities and accessing francophone markets around the world.
- Although the bilingual nature of the province has many benefits, the independent nature of the francophone and anglophone communities from each other has meant that the industry is somewhat divided. As a result, the sector could benefit from greater market coordination across the two communities, particularly the anglophone segment, as its infrastructure is more diffuse in nature.

[10] Acadian World Congress, *Global Strategy for the integration of Arts and Culture into Acadian Society in New Brunswick* (2009).

2.8 Strong live music sector and community of festivals, events and venues

Over the last ten years, there has been a proliferation in the supply of opportunities to perform in New Brunswick, including at festivals (including both music and non-music festivals), venues and in radio broadcasting. Live music was also the main source of income for music artists and professionals, although many artists are accessing royalty revenue streams from song writing and live performance, as well as regional and national grants[11]. Moreover, the live music sector, according to the survey, was overall the area with the most potential for growth and the one in which the majority would increase their activities.

The festivals in New Brunswick range from music-specific to wider cultural celebrations, and are run primarily by non-profit organizations as well as a number of entrepreneurial or public enterprises. In addition to these, less traditional cultural events also play a major role in the live performance sector, including fundraisers, ceilidhs, weddings, parties and other causes for live music.

Festivals employ a great number of people, including full-time staff, part-time workers, contract workers and freelancers, interns and volunteers. Indeed, the crossover between these workers across other sectors is significant, where many will also work in events, tourism and hospitality, and myriad other sectors.

Volunteers in the arts and culture sector, which include music, gave on average more time than those in any other sector (127 hours per year), according to Statistics Canada.[12] For every one member of staff, Canadian festival presenters typically engage an additional 25 volunteers, according to CAPCOA.[13] For small communities of fewer than 5,000 people, the impact of volunteers was found to be considerably higher.

Providing an integral foundation for any music artist or professional, the live music sector is valuable not only as a means of generating income and publicity, but it can have a profound effect on the wider industry itself, as a key platform for professional development. Comprised of music festivals, events and venues, these stakeholders not only celebrate music as art and livelihood but also attract new entrants for employment within the sector.

Conclusions:

- A thriving live music sector is integral to the health and sustainability of New Brunswick's music industry. Live music is critical for artists, music businesses and professionals, both as a primary source of income and business development or promotional activity.
- The province's live music sector has flourished over the last decade and remains the area seen by both artists and music businesses and professionals to have the greatest potential for growth, and is the area in which most expect to expand their activities.
- The province's rich offering of festivals are a defining feature of New Brunswick's music industry.
- There are a plethora of venues, however, these do not meet the needs of all segments of the music industry.
- Although there have been significant advances made by the live music sector in New Brunswick, there remains a demand for enhanced conditions and more opportunities for artists to perform live. The demand comprises an increase in the quantity, quality and

[11] The most prevalent regional and national grants include MID Program, Arts NB, FACTOR, Musicaction.

[12] Statistics Canada, *Canadian Social Trends*, Vol 93 (2012)

[13] Strategic Moves, *Value of Presenting: A Study of Performing Arts Presentation in Canada*. CAPCOA (2013)

offering of live music venues in New Brunswick, including improved terms and conditions, best practices or codes of conduct for venues, festivals, presenters and artists.

2.9 Offering of skills, training and education

One of the most important forms of education in the music industry is learning obtained through real life industry experience; in other words, learning on the job is critical to professional development in the music industry. A significant component of on the job experience is the exchange and transfer of knowledge, skills and expertise between industry members, an area in which New Brunswick has been excelling over the last decade.

The province has a strong provision of training for emerging artists through competitions and workshops. Success stories include les Accros de la chanson, Edmundston en Musique, le Gala de la chanson de Caraquet, le Sommet de la chanson de Kedgwick, the programs provided by Music/Musique NB, la Francofête en Acadie and AAAPNB. The provision of industry-led initiatives from the private sector, such as Académie Isabelle Thériault, Académie de musique de Moncton and InterAction School of Performing Arts have also flourished, addressing many gaps in the market.

Many artists are self managed and self-booked these days.

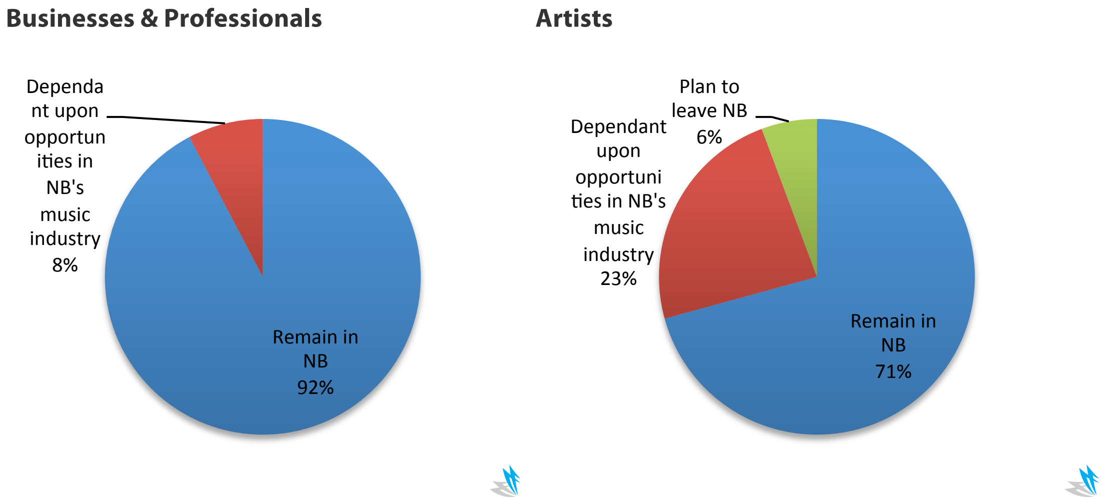
- NB music business

Areas, in which the music industry could improve, include addressing the noted shortage in career development opportunities for industry members. While New Brunswick is praised for being particularly successful at delivering standalone or 'one-off' initiatives, and existing training for the sector has proven to be valuable and effective in addressing short-term industry gaps, there is nonetheless, an increasing demand to address the longer-term needs of the sector. A holistic approach to music career development covering both immediate and long-term skills development would have a lasting impact on the sustainability and success of New Brunswick's artists and music professionals.

There is a general lack of understanding of a clear career path for music artists and professionals in all sectors of the industry throughout the province. The development of competency charts and case studies of the various forms of career progression within the province's music industry, would provide a means of addressing this.

New Brunswick is generally seen as a highly attractive location in which to conduct business in the music industry, for music businesses, professionals and artists alike. The major factor, however, in what music businesses, professionals, and artists focus on when deciding where to locate themselves, is the availability of opportunities within the province's music industry. While 92% of music businesses and professionals planned to stay within New Brunswick, 8% determined their future was based on opportunities locally. Artists, meanwhile, were a more mobile group, where 71% planned to stay within New Brunswick and 23% said it depended upon opportunities within the province, while those planning to leave the province account for 6%.

Figure 9 – Industry plans for remaining within or leaving New Brunswick



Source: Nordicity survey of the NB music industry (2013)

Attracting new entrants to the music sector is important for the sustainability and succession planning of the industry. Coupled with the high demand for industry infrastructure, attracting new talent remains a priority for New Brunswick. Addressing this issue, industry has identified a number of areas of focus for pursuit by the industry, including 'touch points' with the community, advocacy, awareness, training and clarification of career paths and opportunities.

Conclusions:

- New Brunswick's people are the most important contributors to skills, training and education in the province's music industry. In order to sustain and grow the province's skill set, it is important to retain existing talent and attract new talent to the province to not only share skills and knowledge across the industry but for that base to develop and grow.
- New Brunswick's music industry is supported through a strong offering of private and public training institutions and initiatives in both official languages. Industry-led training in New Brunswick is highly effective at addressing immediate and short-term issues in the sector.
- Because there is currently no overall strategy or approach to skills, training and education in New Brunswick's music industry, the long-term needs around industry capacity and human resources are not adequately being met. A coordinated and joined-up approach to skills, training and education in New Brunswick's music industry could establish the life-long learning for artists and music professionals at each stage of their careers.

2.10 A rich industry ecosystem

The industry ecosystem is represented and supported by a number of organizations including the associations, agencies and three levels of government. Providing a solid foundation and established support network for the industry, these organizations represent the diverse needs and make up of the industry from across the province and in both official languages.

A number of the leading organizations in New Brunswick's music industry and their function in the ecosystem are highlighted below.

Alliance nationale de l'industrie musicale (ANIM) – The national alliance of the music industry, ANIM contributes to the growth and coordination of the Canadian francophone music industry through showcasing, communications, support in music dissemination, distribution, production and creation across Canada.

ArtsLinkNB – A member-driven, non-profit organization acting as a network and hub to provide information, communication and activities for the arts (including performing arts, visual arts, film, literature, craft and multidisciplinary) in New Brunswick.

Association Acadienne des Artistes Professionnelles du Nouveau-Brunswick (AAAPNB) – An Acadian arts service organization to protect the rights and represent the interests of French-speaking artists in New Brunswick.

Atlantic Presenters Association (APA) – The regional arts presenters' organization for Canada's four Atlantic provinces to support, enhance, promote and facilitate diverse, high quality live arts performances in a variety of disciplines including music. APA hosts **Contact East**, an annual showcase and conference for Atlantic Canadian talent in theatre, music and dance.

Canada Council for the Arts (CCA) – The national arm's-length arts funding agency providing grants, fellowships, prizes, research and communication for the arts sector, including music, dance, media arts, theatre, visual arts, and writing and publishing. CCA provides a number of grants and prizes eligible to music artists, businesses, professionals and organizations across Canada.

Department of Canadian Heritage (PCH) – The Federal government department with responsibility for the music industry. The Department provides the **Canada Music Fund (CMF)**, which is the federal program supporting Canadian music artists, entrepreneurs and businesses. Other funds relevant to the music industry include the Canada Arts Presentation Fund and the Canadian Cultural Spaces Fund.

Department of Tourism, Heritage and Culture – The Provincial government department with responsibility for the music industry. The Department administers the signature Music Industry Development Program [MID] to assist in the costs of production, marketing and promotion of New Brunswick music content sound recordings, as well as providing funding for professional development activities and the production of demo discs and related promotional activities.

East Coast Music Association (ECMA) – A non-profit association dedicated to the celebration, promotion, development of East Coast music. The ECMA hosts the highly celebrated **East Coast Music Week**, a five-day celebration and conference advancing the east coast music industry.

FACTOR – A national private non-profit organization dedicated to providing assistance toward the growth and development of the Canadian music industry. FACTOR administers funding from private radio broadcasters as well as two components of the Department of Canadian Heritage's (PCH) Canada Music Fund (CMF). Music industry members eligible for support include Canadian recording artists, songwriters, managers, labels, publishers, event producers and distributors.

Music/Musique NB – Provides a leadership role in guiding and representing the music industry in New Brunswick.

Musicaction –A non-profit organization dedicated to the encouragement and development of Canadian music by financially supporting the production and marketing of sound recording in addition to collective music industry initiatives.

New Brunswick Arts Board (artsnb) – An arm's length arts funding agency with a legislated mandate to facilitate and promote the creation of art as well as administering funding programs for professional artists in the province. artsnb has programs to support music artists throughout their career, including emerging artists, mid-career artists and senior artists.

Reseau atlantique de diffusion des arts de la scène (RADARTS) – A body supporting the full development of the arts in Atlantic Canada with a mandate to develop and enhance the circulation, distribution and touring of artists and artistic creation in the Atlantic provinces.

Society of Composers, Authors and Music Publishers of Canada (SOCAN) – A non-profit copyright collective representing Canadian performing rights of Canadian and international music creators and publishers.

Stratégie de promotion des artistes acadiens sur la scène internationale (SPAASI) – A component of the Société Nationale de l'Acadie (SNA). SPAASI also administers the Centre de ressources international et acadien (CRIA), an online showcase of Acadian and francophone artists from Atlantic Canada with an aim for international exports in music, theatre, dance, visual arts, literature and cinema.

3. Statistical Profile

This section provides a statistical profile of the music industry in New Brunswick based on data from the survey undertaken by Nordicity in 2013, focus groups and literature review.

3.1 Financials

This section provides a profile of the music industry revenue and income in New Brunswick.

3.1.1 Revenue

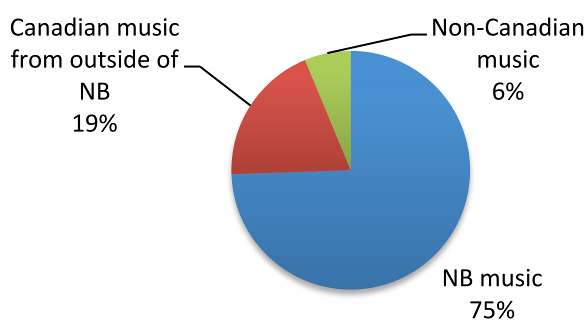
New Brunswick's music industry has experienced an estimated 284% increase in industry revenues over the last decade, rising from $19.9 million in 2003 to $76.5 million in 2013.

Category	2003		2013	
	Total Revenues ($m)	Per cent (%)	Total Revenues ($m)	Per cent (%)
Music businesses & professionals	7.1	36%	68.6	90%
Artist entrepreneurs	12.8	64%	7.9	10%
Total	**19.9**	**100%**	**76.5**	**100%**

Source: Nordicity survey of the NB music industry (2013)

Based on all projects completed in 2012-13, approx. three quarters of the province's music business revenues were generated by local New Brunswick music (75%). Another 19% of these revenues came from Canadian artists from outside of New Brunswick, while 6% was generated from non-Canadian artists (see Figure 10 below).

Figure 10 - Revenue from origin of artist (businesses and professionals)



Source: Nordicity survey of the NB music industry (2013).

The vast majority of income for music businesses and professionals were domestic, with only 3% of revenues coming from sources outside of Canada. Of the 3% of foreign revenues, the US formed the largest international market, accounting for 73% of total foreign revenues, followed by Europe and Asia accounting for 11% each, and the rest of the world accounting for 5%.

Figure 11 - Share of revenues from Canada (2012-13)

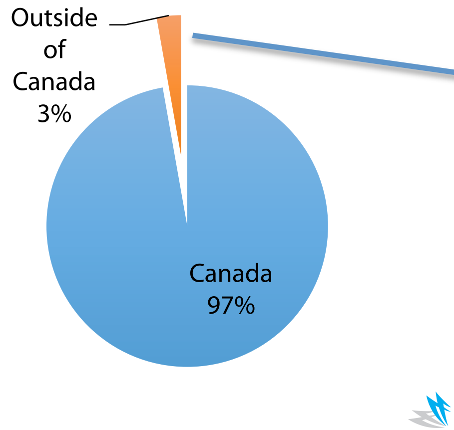
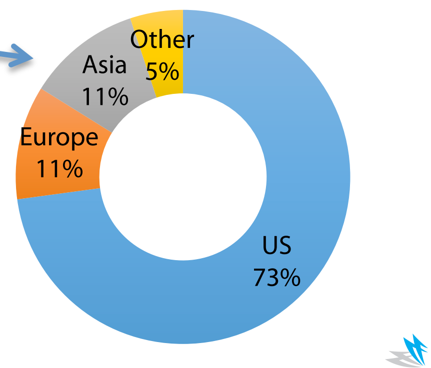


Figure 12 - Geographic source of the 3% foreign revenues (2012-13)

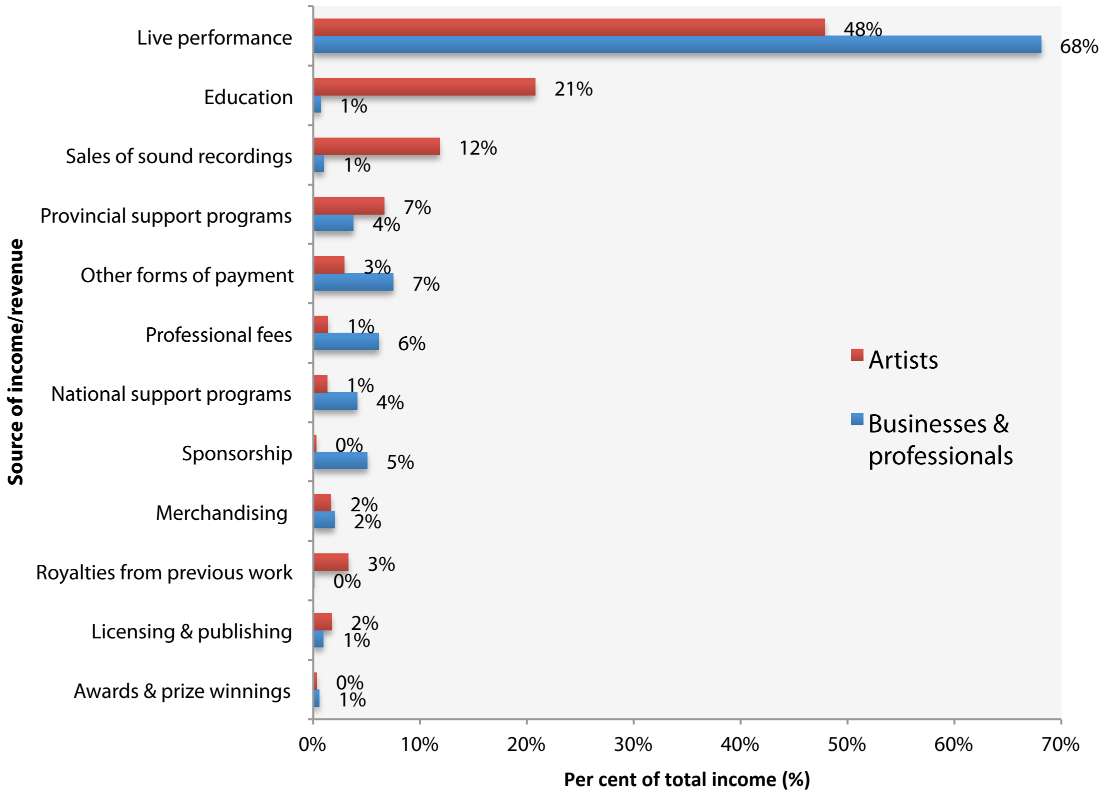


Source: Nordicity survey of the NB music industry (2013)

The live music sector was by far the most important source of revenue and income for music artists, businesses and professionals in New Brunswick. Accounting for nearly 70% of revenues for music businesses and professionals, live music is exceedingly vital for the industry and highly concentrated; with the next most significant sources of revenue being other forms of payment (7%), professional fees (6%) and sponsorship (5%). Meanwhile, national and provincial support programs accounted for a mere 4% of revenue followed by merchandising (2%) and sales, licensing and publishing, education and awards and prize winnings (1% each).

Meanwhile, although artists income sources rely heavily on live music, they are somewhat more diversified; with just under half of all revenues coming from live music, New Brunswick's artists tend to supplement their income largely through education and teaching (21% of income), followed by sales (12%), provincial support programs (7%) and other forms of payment and royalties from previous work (3% each). Other activities such as licensing and publishing, national support programs, professional fees, and awards and prize winnings had a negligible impact on their income being at below 2% each.

Figure 13 – Sources of revenue (artists, businesses & professionals)



Source: Nordicity survey of the NB music industry (2013)

3.1.2 Expenses

New Brunswick's music industry accounts for a total of $36.6 million in expenditure. Music businesses and professionals spent $30.9 million in 2013 accounting for 84% of total industry expenditures, while artists spent $5.7 million accounting for 16% of industry expenditures.

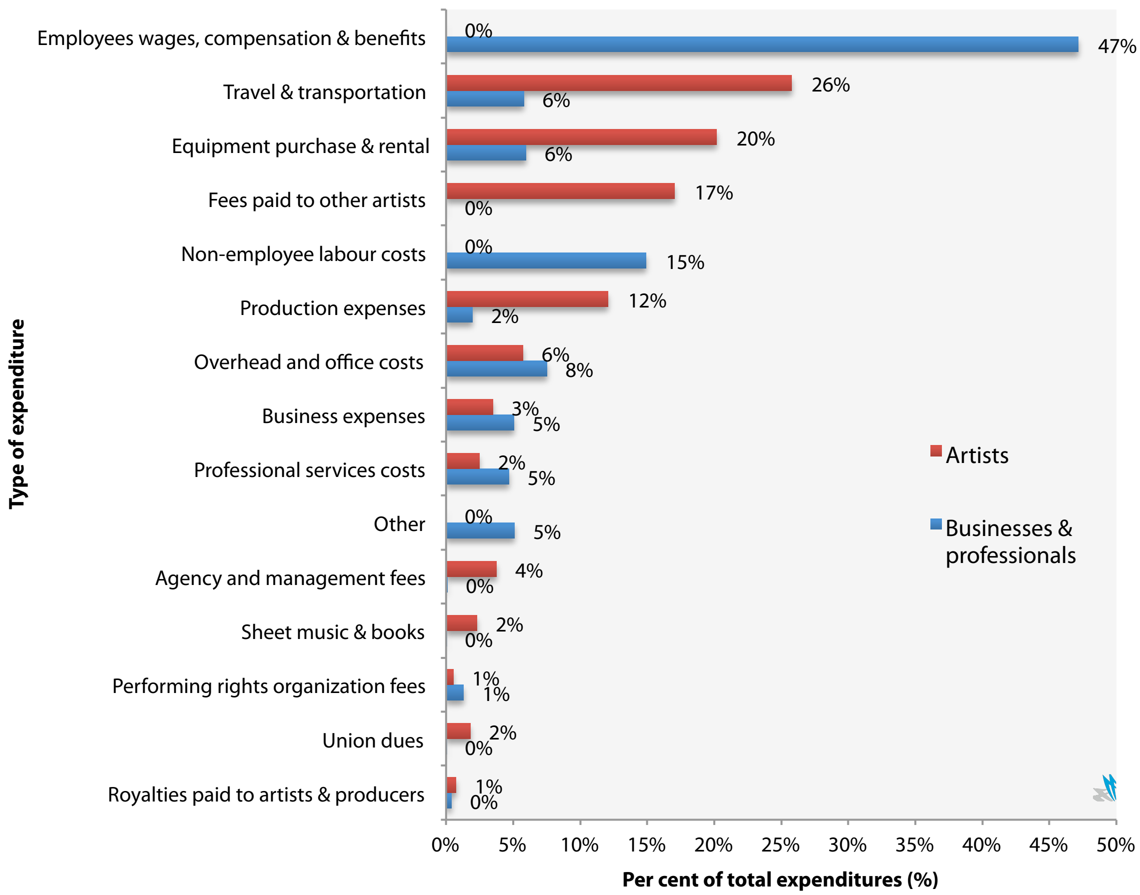
Category	**2013**	
	Total Expenditures ($m)	Per cent (%)
Music businesses & professionals	30.9	84%
Artist entrepreneurs	5.7	16%
Total	**36.6**	**100%**

Source: Nordicity survey of the NB music industry (2013)
Note: Expenditure data for 2004 was not available.

The largest expenditures in New Brunswick's music industry were for labour and travel. For music businesses and professionals, employee wages, compensation and benefits accounted for nearly half of the total music business expenses followed by other non-employee labour costs (15% of expenses), overhead and office costs (8%), equipment purchase and rental, and travel and transportation costs (6% each). Meanwhile, business expenses and professional service costs accounted for 5% of business expenses each, followed by 'other' expenses (5%), production expenses (2%) and performing rights organization fees (1%).

For artists, the single largest expense was travel and transportation, accounting for over one quarter of all expenses. The second largest expense was equipment purchase and rental (20% of expenses) followed by fees paid to other artists (17%), production expenses (12%), and overhead and office costs (6%). Agency management fees and 'other' accounted for 4% of expenses each, followed by business expenses (3%) and sheet music and books, professional services, and union dues (2% each). Much of this spending is financed on an 'as needed basis' from earnings from music and non-music employment, with the hopes for a return on the initial investment.

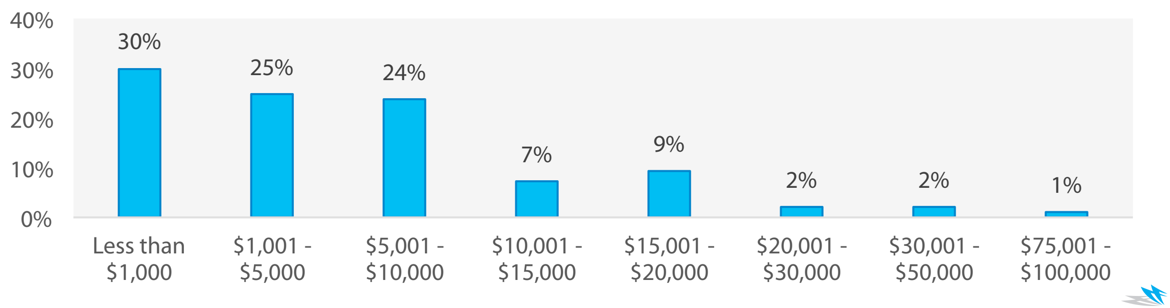
Figure 14 – Sources of expenditures (artists, businesses & professionals)



Source: Nordicity survey of the NB music industry (2013)

The cost of releasing an album for an artist is significant. The vast majority of album releases have cost below $10,000, however, over one fifth of releases have cost above this threshold. The expenses entailed in a release largely include production expenses and fees paid to other artists, and in some cases also travel and transportation, and equipment purchase and rental costs.

Figure 15 – Cost of artist's most recent release (Artists)



Source: Nordicity survey of the NB music industry (2013)

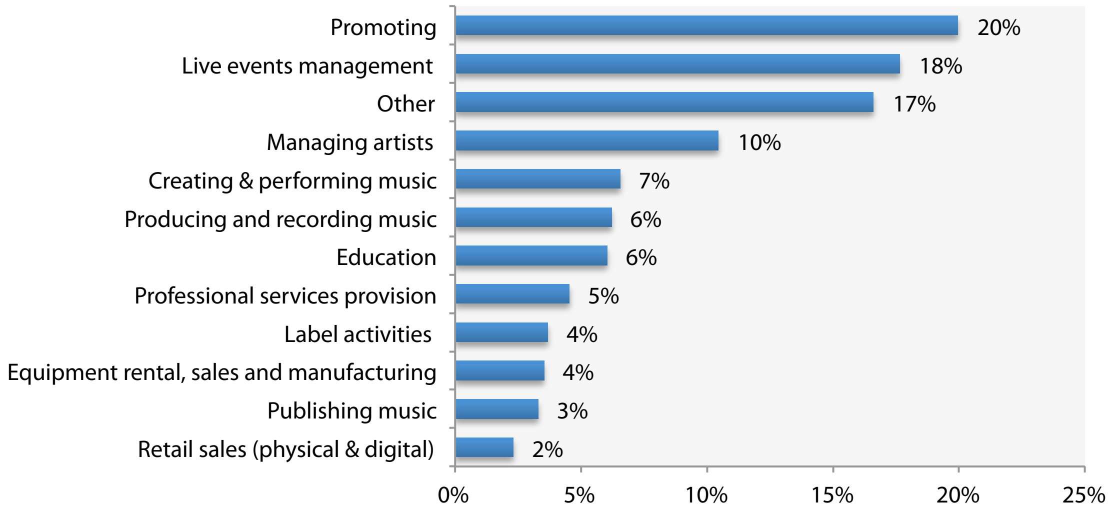
3.2 Industry Activities

This section provides a profile of the music industry activities undertaken by the sector in New Brunswick.

The average time spent on music industry activities by businesses and professionals was 67% of the worked full-time hours. In other words, music industry businesses and professionals in New Brunswick spent approximately 27 hours per week on music activities.

The most prominent activities undertaken by music industry members were around live events. Promoting was the activity undertaken most by music businesses and professionals, accounting for 20% of their working time, followed by live events management at 18% and other activities at 17%. Managing artists was significant, at 10% of working time, followed by creating and performing music, at 7% of working time, producing and recording music and education, both at 6% of working time. The least common business activities were professional services, label activities, equipment rental, sales and manufacturing, music publishing and retail sales, all at 5% of working time or less.

Figure 16 – Music business activity as a percentage of working time (businesses and professionals)

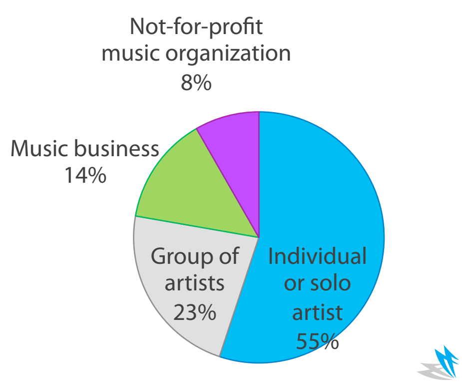


Source: Nordicity survey of the NB music industry (2013)

3.2.1 Industry Structure

The music industry in New Brunswick is overwhelmingly comprised of Artists, both solo and in groups (78%), including artist entrepreneurs often operating as micro-enterprises. Music businesses comprise the second largest segment of the provincial music industry at 14%, followed by Not-for-profit music organizations operating with a mandate of some form or another to support and strengthen the industry (8%).

Figure 17 – Type of Industry Stakeholders



Source: Nordicity survey of the NB music industry (2013)

Music Businesses and Professionals

Music businesses and professionals in New Brunswick spend the majority of their time undertaking music industry activities (67%), although the highly diversified nature of the work of these businesses and professionals mean that they also operate extensively in other sectors, accounting for approximately 33% of their working time.

Music businesses and professionals in New Brunswick employ an estimated total of 390 employees, resulting in 290 FTE jobs. Generating $13.5 million in total wages, the average FTE salary is approximately $46,000 and the company operating margins are estimated at 3.8%.

The average annual salary of a full-time employee of a music business in New Brunswick is $24,000. The average hourly rate for a part-time employee of a music business in New Brunswick is $13.85, almost 40% higher than the provincial minimum wage.[14]

The total labour expenditures (extrapolated to the population size) in New Brunswick were $15.5 million, which as a percentage of total labour expenditures was 81%. The total non-labour spend in New Brunswick was $1.6 million, which as a percentage was 72%.

The entrepreneurial nature of New Brunswick's music industry is visible through the ownership of the province's music businesses and professionals. The vast majority of music businesses in New Brunswick (53%) are private sole-proprietorships, while 24% are structured businesses (16% private corporations and 8% private partnerships). Not for profit industry organizations represent another 23% of the industry's music businesses, including registered charities (19%) and public corporations (4%). The music industry in New Brunswick is largely self-made and home-grown with the vast majority of music businesses (98%) being New Brunswick owned and controlled.

Figure 18 – Type of Ownership (music businesses)

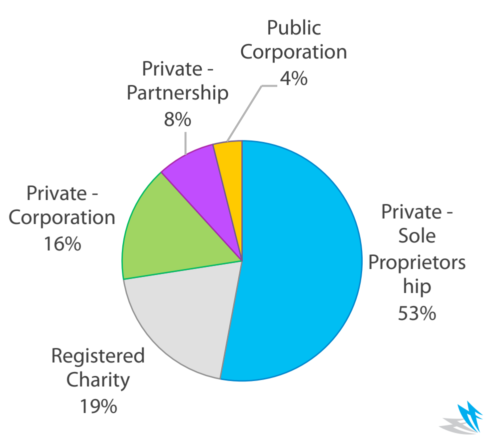
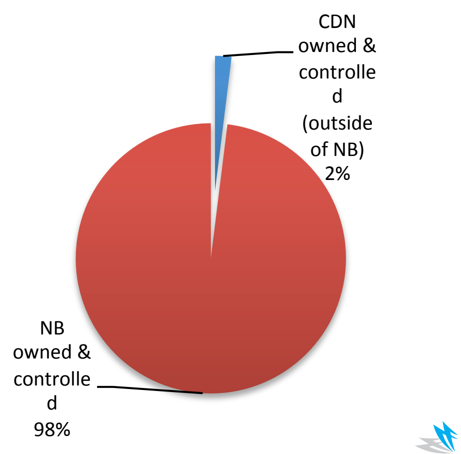


Figure 19 - Origin of Ownership (music businesses)

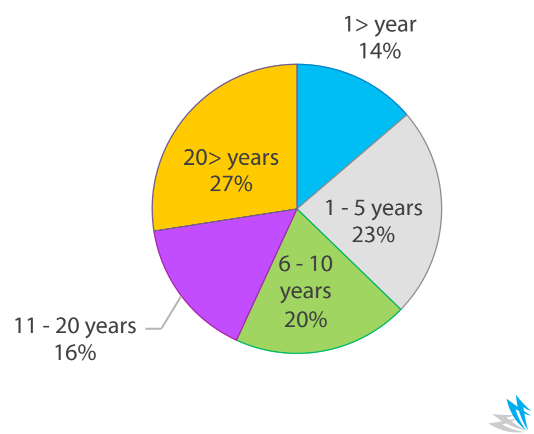


Source: Nordicity survey of the NB music industry (2013)

[14] Minimum wage in New Brunswick was $10.00 per hour as of 1 April 2012.

High levels of newly formed, emerging and established companies represent the broad level of experience among music businesses in New Brunswick. With a prominent slate of established music businesses having over 11 years of experience (43%), the wealth of skills and expertise gained by these industry stalwarts form a strong foundation of expertise and experience to be leveraged by new and emerging businesses. With over half of the industry comprising new and emerging companies with ten years or less of experience, the stability and leadership can provide many benefits to the growing next generation of entrepreneurs. Within the new and emerging segment, a sizeable 14% are new (in the startup phase with less than one year in operation), while the majority are emerging companies with between 1-5 years of experience (23%) and 6-10 years of experience (20%). The balanced nature of the industry's experience may be seen as an asset for its medium-term succession and sustainability.

Figure 20 - Years of Experience (businesses and professionals)



Source: Nordicity survey of the NB music industry (2013)

The majority of music businesses in New Brunswick (69%) maintained a stable of artists in 2012 (see Figure 21 below). Accounting for label, management or agent activities, the level was considerably higher than the national average of 47%.[15] While the majority of these artists are from New Brunswick, a significant number (25%) are Canadian artists from outside of New Brunswick, followed by 1% from outside of Canada (see Figure 22 below). Of these, New Brunswick music businesses and professionals have invested in an estimated 141 new artist signings from within the province and a further 31 new artist signings from outside the province in 2012 alone.

[15] Nordicity, *Sound Analysis: An examination of the Canadian Independent Music Industry*. CIMA (2013)

Figure 21 – Music businesses and professionals that maintain a stable of artists

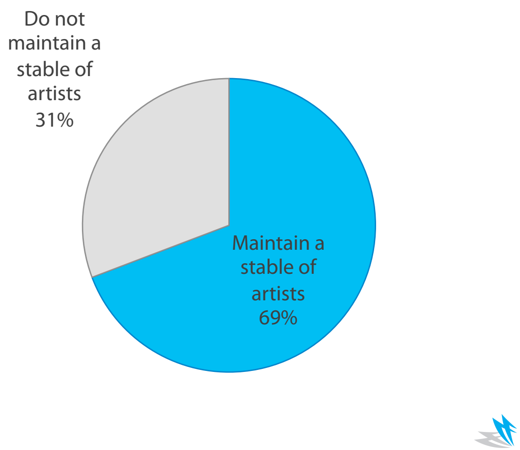
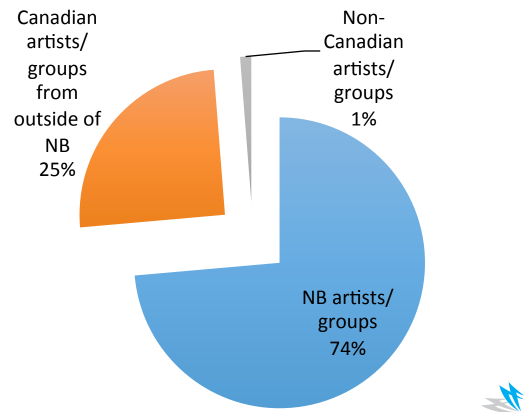


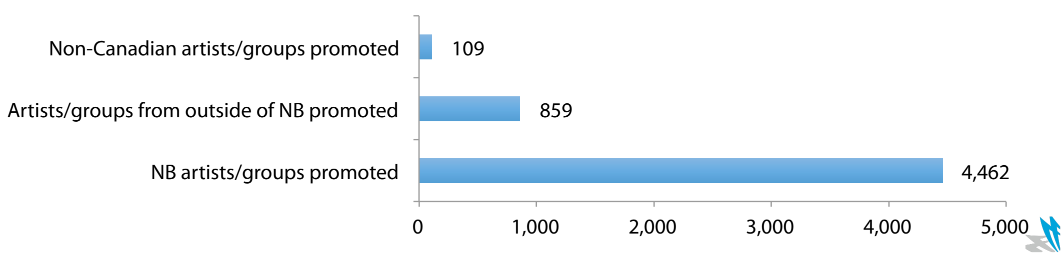
Figure 22 – Artists under contract to NB music businesses and professionals



Source: Nordicity survey of the NB music industry (2013)

New Brunswick music businesses and professionals promoted or hosted over an estimated combined total of 5,430 live performances in 2012. Approximately 82% of these live performances were by New Brunswick artists (4,462); another 16% were performed by Canadian artists from outside the province (859) followed by 2% from non-Canadian artists (109) (see Figure 23 below). Of these performances, the vast majority of revenues are paid to the artists themselves (35%), followed by promoters (12%), venues (9%), agents (8%) and managers (4%). Another 32% of live performance revenues went to the 'other' category (see figure below).

Figure 23 - Number of live performances promoted by New Brunswick music businesses and professionals (2012)



Source: Nordicity survey of the NB music industry (2013)

4. Economic Impact Analysis

The total economic impact of the full music industry in New Brunswick was 954 FTE jobs (in addition to 676 artists), $41.2 million in labour income and $65.2 million in GDP.[16]

- The direct impact of the New Brunswick music industry contributed 573 FTEs (in addition to providing employment for over 670 artists), $25.7 million in labour income and $33.3 million in GDP.
- The indirect impact of the New Brunswick music industry contributed 272 FTEs, $11.2 million in labour income and $20.9 million in GDP.
- The induced impact of the New Brunswick music industry contributed 109 FTEs, $4.5 million in labour income and $10.8 million in GDP.
- For every $1 of music industry expenditures, approximately $0.90 is captured by the New Brunswick economy.[17]

Figure 24 – Economic Impact – Full Industry ($M)

	Direct impact	Indirect impact	Induced impact	Total impact
Employment (FTEs)	573 (+676 artists)	272	109	**954 (+676 artists)**
Labour Income ($m)	25.7	11.2	4.5	**41.3**
GDP ($m)	33.3	20.9	10.8	**65.2**

Source: Nordicity MyEIA Model and Statistics Canada.
Note: Numbers may not sum due to rounding.
The economic impact of the full industry includes 60% of the economic activity in New Brunswick's radio. The ratio of 60% is based on the results of a 2007 analysis of the relative contribution of sound recordings to the commercial value of radio operations Paul Audley and Marcel Boyer (2007), "The Competitive Value of Music to Commercial Radio Stations," table 8.)

[16] The full music industry includes both the 'core' and 'wider industry'.
[17] The total music industry expenditures in New Brunswick was estimated at $36.6 million in 2013.

Breakdowns for each of the impacts, including employment impact, labour income impact and GDP impact, are presented in the figures below.

Figure 25 – Employment Impact – Full Industry (FTE Employment)

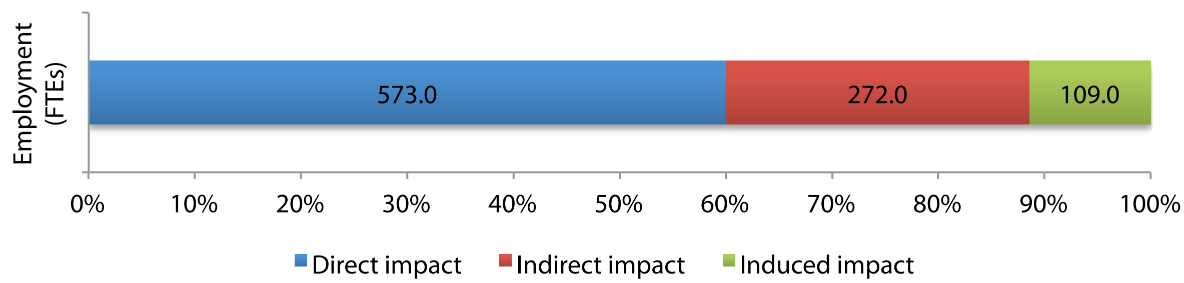


Figure 26 – Labour Income Impact – Full Industry ($ Million)

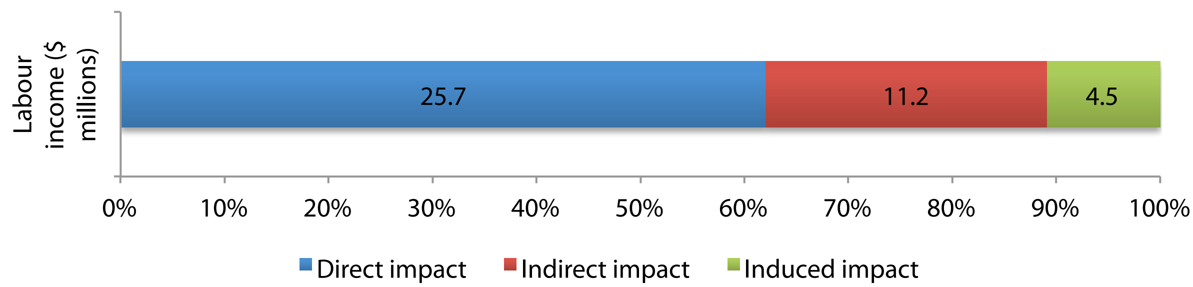
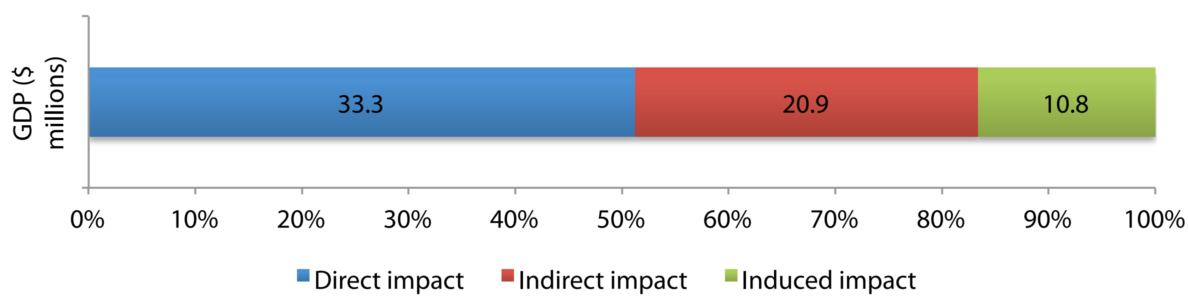


Figure 27 – GDP Impact – Full Industry ($ Million)



Source: Nordicity MyEIA Model and Statistics Canada.

Impacts Defined

The **direct** impact refers to the increase in Gross Domestic Product (GDP) and employment within the New Brunswick music industry.

The **indirect** impact refers to the increase in GDP and employment in the industries that supply inputs to the New Brunswick music industry. The advertising industry and its supply of marketing and promotional services would be one example of an industry that supplies a key input to the New Brunswick music industry.

The **induced** impact refers to the additional economic activity due to the re-spending of incremental household income in the New Brunswick economy.

The total fiscal impact of the full music industry in New Brunswick was $19.6 million in tax revenues to all levels of government. These tax revenues comprised of $9.4 million in personal income taxes, $1.7 million in corporation taxes, $6.1 million in consumption taxes and $2.3 million in local property taxes and other fees.

- Federally, the New Brunswick music industry contributed $5.8 million in personal income taxes, $1.4 million in corporation taxes and $1.9 million in consumption taxes to government.
- Provincially, the New Brunswick music industry contributed $3.6 million in personal income taxes, over $300,000 in corporation income taxes, $4.1 million in consumption taxes and $2.3 million in local property taxes and other fees to government.

Figure 28 – Fiscal Impact – Full Industry ($ Million)

	Federal (Canada)	Provincial (NB)	Total
Personal income taxes ($m)	5.8	3.6	**9.4**
Corporation income taxes ($m)	1.4	0.3	**1.7**
Consumption taxes ($m)	1.9	4.1	**6.1**
Local property taxes and other fees ($m)	0	2.3	**2.3**
Total ($m)	**9.1**	**10.4**	**19.6**

Source: Nordicity MyEIA Model and Statistics Canada.
Note: Numbers may not sum due to rounding.

Breakdowns for each of the fiscal impacts, including taxes by federal and provincial level and taxes by type are presented in the figures below.

Figure 29 – Total Taxes by Federal and Provincial Level – Full Industry ($ Million)

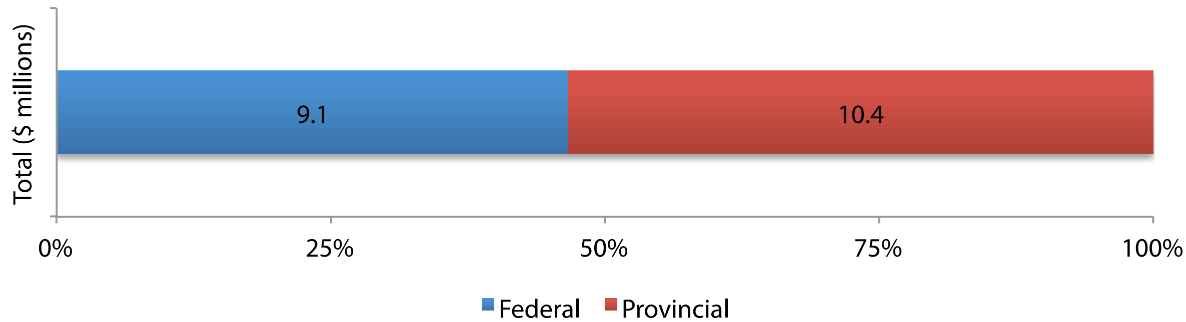
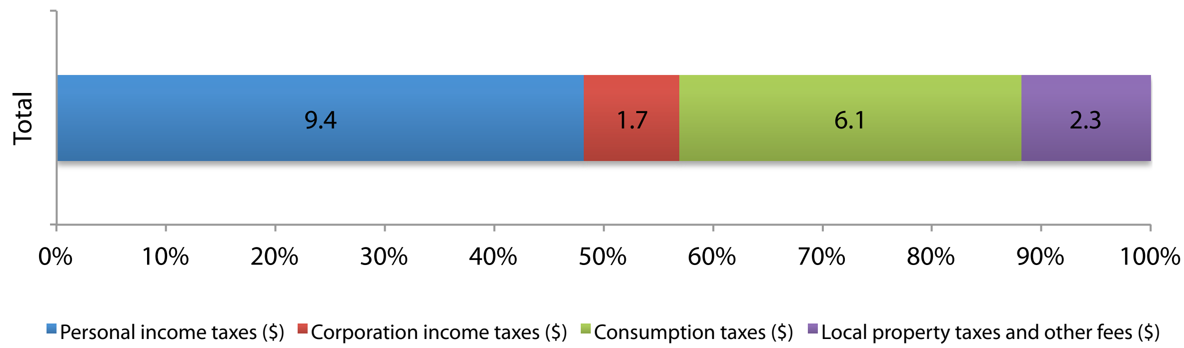


Figure 30 – Total Taxes by Type – Full Industry ($ Million)



Source: Nordicity MyEIA Model and Statistics Canada.

4.1 Breakdown of Impacts

The core music industry of New Brunswick is comprised of 676 artists with an average full-time music-related salary of over $10,000 per year and music businesses and organizations directly employing 344 FTEs with an average full-time salary of over $46,000. The wider music industry of New Brunswick comprises radio broadcasting, retail, and instruments and equipment:

- Radio broadcasting contributed 180 FTEs with an average full-time salary of over $44,000.
- Music retail contributed 50 FTEs with an average full-time salary of nearly $26,000.
- Music instruments and equipment contributed 140 FTEs with an average full-time salary of nearly $25,000.

Figure 31 – Direct Economic Impact – Full Industry Breakdown ($ Thousands)

	Full Industry				
	Core Industry		Wider Industry		
	Artists	Businesses, professionals & orgs	Radio Broadcasting*	Retail	Instruments & Equipment
Employment (FTEs)	676 artists	344	180	50	140
Average Full-time Music-related Salary ($ Thousands)	10.4	46.4	44.0	26.0	24.8

Source: Nordicity MyEIA Model and Statistics Canada.
Note: Numbers may not sum due to rounding.
* 60% of the economic activity in New Brunswick's radio has been included in the analysis in accordance with the results in Paul Audley and Marcel Boyer (2007), "The Competitive Value of Music to Commercial Radio Stations," table 8

4.1.1 Core Music Industry

The 'core' music industry, comprising music artists, businesses, professionals and music organizations, had an economic impact of over 500 FTEs (in addition to 676 music artists), $22.4 million in labour income and $30.5 million in GDP.

The core music industry of New Brunswick contributed:

- A direct impact of 344 FTEs (in addition to 676 artists), $15.9 million in labour income and over $17 million in GDP.
- A direct impact per FTE of nearly $50,000 contribution towards GDP and nearly $15,000 in provincial taxes for New Brunswick.
- An indirect impact of 99 FTEs, over $4 million in labour income and $7.6 million in GDP.
- An induced impact of 59 FTEs, $2.4 million in labour income and $5.9 million in GDP.

Figure 32 – Economic Impact – Core ($ Million)

	Direct impact	Indirect impact	Induced impact	Total impact
Employment (FTEs)	344 (+676 artists)	99	59	**502 (+676 artists)**
Labour income ($m)	15.9	4.0	2.4	**22.4**
Gross domestic product ($m)	17.1	7.6	5.9	**30.5**

Source: Nordicity MyEIA Model and Statistics Canada.
Note: Numbers may not sum due to rounding.

The fiscal impact of the core music industry in New Brunswick was $9.9 million in tax revenues to all levels of government. These tax revenues comprised of $5.1 million in personal income taxes, $815,959 in corporation taxes, $2.8 million in consumption taxes and $1.1 million in local property taxes and other fees.

- Federally, the New Brunswick music industry contributed $3.1 million in personal income taxes, $664,189 in corporation income taxes and $903,376 in consumption taxes to government.
- Provincially, the New Brunswick music industry contributed nearly $2 million in personal income taxes, $151,770 in corporation income taxes, $1.9 million in consumption taxes and $1.1 million in local property taxes and other fees to government.

Figure 33 – Fiscal Impact – Core ($ Million)

	Federal	Provincial	Total
Personal income taxes ($m)	3.1	2.0	**5.1**
Corporation income taxes ($m)	0.7	0.2	**0.8**
Consumption taxes ($m)	0.9	1.9	**2.8**
Local property taxes and other fees ($m)	0.0	1.1	**1.1**
Total ($m)	**4.7**	**5.1**	**9.9**

Source: Nordicity MyEIA Model and Statistics Canada.
Note: Numbers may not sum due to rounding.

5. Opportunities for Growth

The music industry of New Brunswick has a unique set of strengths and opportunities as well as weaknesses and threats. Based on a series of consultations with the industry, analysis of the Nordicity survey of the NB music industry and considerable desk research, this section reviews the opportunities for the sector's growth.

New Brunswick's music industry has much to celebrate, boasting a richly artistic, strong, and nurturing grassroots music community and talent pool: a desirable and inspiring place for artists and a population that is supportive of culture. It is also home to a thriving live music industry, aided by its numerous festivals and a variety of venues, as well as a renowned provincial music industry week and awards. The province faces challenges, including: limited industry infrastructure; a fragmented market in terms of culture, language and geography; fragmentation of provincial funding support structures; and a reliance upon domestic live performance fees.

Some of the risks facing New Brunswick's music industry include further industry fragmentation in an already small market, reductions in live performance fees, erosion of the province's already constrained music industry infrastructure and a decrease in public support for the music sector. Meanwhile, there are a number of opportunities available to New Brunswick's music sector, including increased collaboration and coordination amongst its fragmented communities (including cultural, linguistic and geographic), leveraging the province's strengths by sharing services and pooling resources, establishing itself as an international beacon for Acadian culture, and enhancing its current offerings of financial support for the music industry.

Figure 34 - Summary SWOT

Strengths	**Weaknesses**
▪ Significant pool of creative and artistic talent ▪ A richly artistic community and population supportive of culture ▪ A thriving live music industry ▪ A highly nurturing environment for new and emerging artists ▪ A desirable and inspiring place for artists ▪ Strong provincial music industry festival ▪ Respected provincial music industry awards	▪ Limited industry infrastructure (businesses, professionals and resources) ▪ Culturally and linguistically fragmented market ▪ Geographically fragmented market in cities and communities across the province ▪ Geographically isolated market and high cost of travel ▪ Direct funding not specific to music industry ▪ Music industry support structures overlap both the cultural (and more artistically-driven) and creative (and more commercially-driven) industries ▪ Reliance upon domestic (NB) live performance fees

Opportunities	Threats
▪ Increased coordination and collaboration amongst francophone and anglophone markets ▪ Shared services and pooled resources ▪ Excelling as an international leader in Acadian culture ▪ Enhanced financial support tailored to the music sector's particular and changing demands	▪ Industry fragmentation (in an already small market) ▪ Downward pressure on live performance activities and fees ▪ Loss of industry infrastructure (in an already limited and over-reliant market) ▪ Reduction in support for the music sector

5.1 Strengths and Opportunities

Research indicates that the impact of New Brunswick's music industry is expected to continue growing.[18]

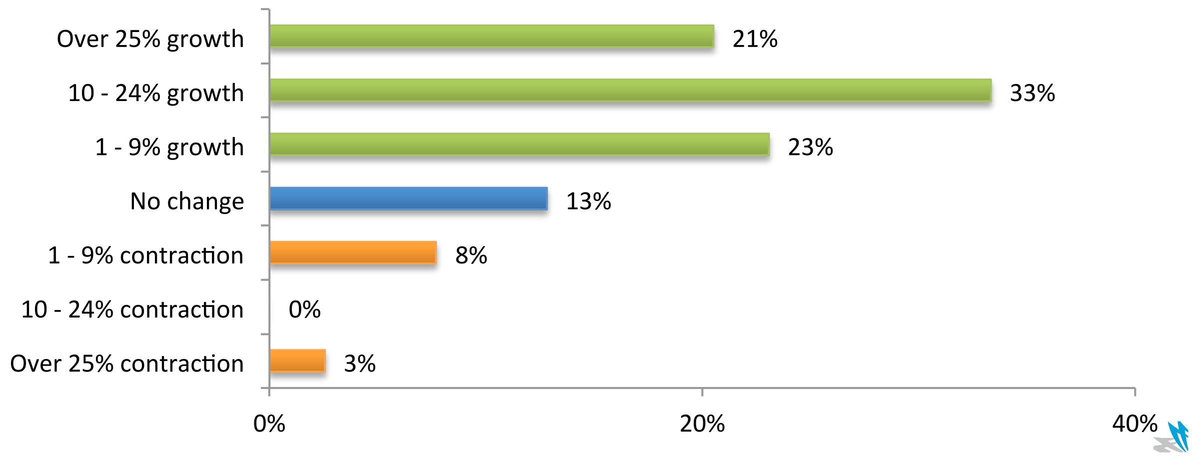
- Over three out of every four music businesses and professionals in New Brunswick expect their revenue to grow over the next two years.
- One in every five music businesses and professionals expected growth over 25%; one in three music expected growth between 10-24%; and over one in four expect growth between 1-9%.
- Over one in every ten music businesses and professionals expected their revenues to remain the same, neither growing nor contracting.
- Approximately one in every ten music businesses and professionals expected a contraction.

There is a lot of talent in NB and we need to organize ourselves more coherently.

- NB music business

[18] New Brunswick's Information, Culture and Recreation sector is expected to increase to reach $1 billion and account for approximately 4% of provincial GDP by 2020. MQO Research. (2012). "A Profile of the Information, Culture and Recreation Industries in New Brunswick". Accessed February 27, 2013 from: http://www2.gnb.ca/content/dam/gnb/Departments/petl-epft/PDF/PopGrowth/Information_Cultural_Profile-e.pdf

Figure 35 – Two-year revenue forecasts (businesses and professionals)



Source: Nordicity survey of the NB music industry (2013)

5.1.1 Areas of Growth

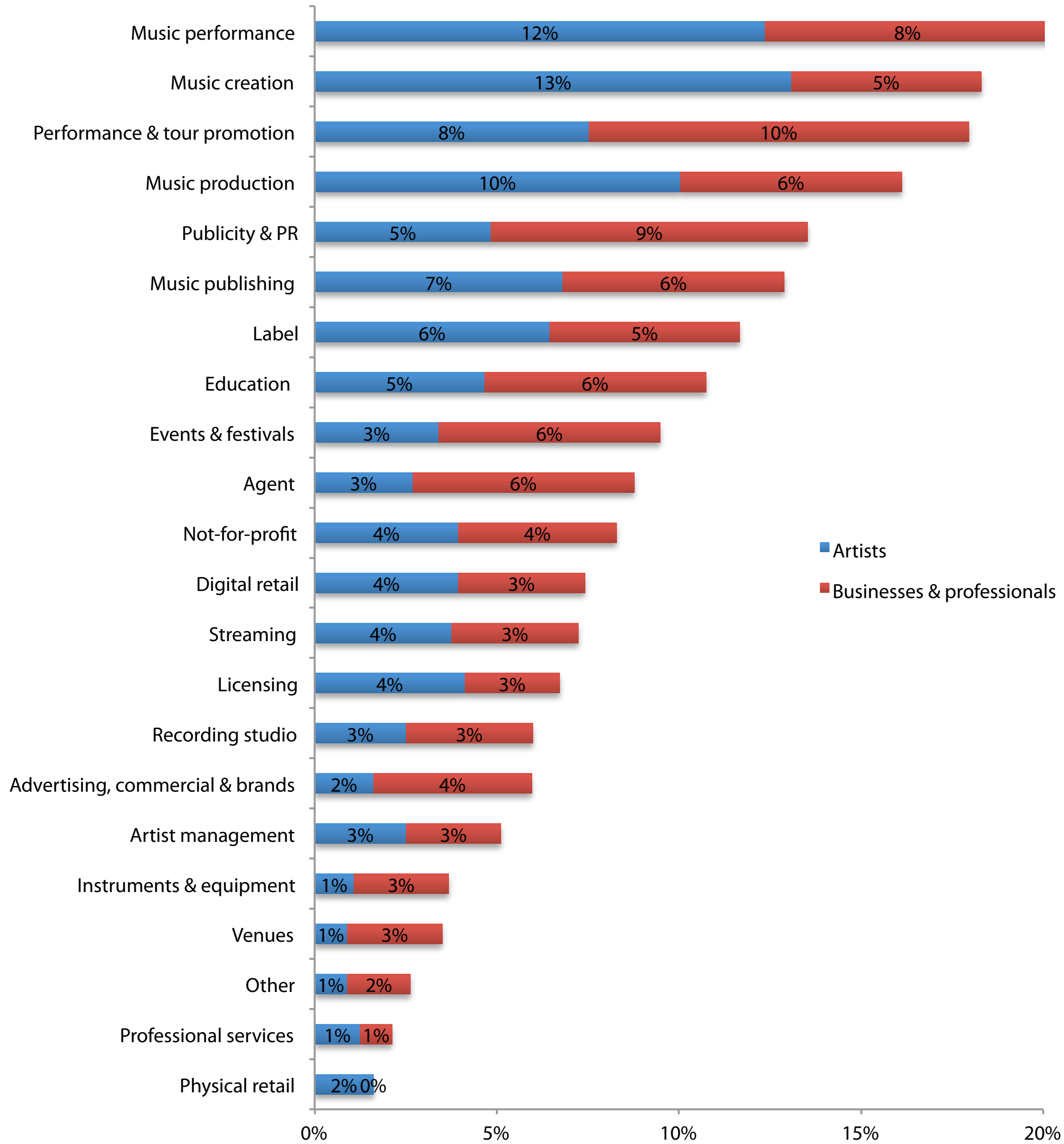
The areas of growth for New Brunswick music businesses and professionals over the next two years are diversified and range across the sector.

For businesses, the promotion of touring and performances is the most prominent new activity that 10% of businesses and professionals will engage in over the next two years, followed by publicity and PR (9%) and music performance (8%). At 6% each, artist agent activities, education, event and festival operation, music production and music publishing are also significant areas New Brunswick's music businesses and professionals expect to enter into in the next two years.

Five percent of music businesses and professionals expect to enter into both the creation of music and record label activities, followed by advertising and not-for-profit work (each at 4%), and digital retail, recording studio activities, streaming, artist management, instrument and equipment sales, licensing and venue activities (each at 3%).

Music artists in New Brunswick planned to engage in more creative activities over the next two years, with music creation (13%), music performance (12%) and music production (10%) topping the list (see Figure 36 below). Business activities accounted for another area of growth, albeit secondary to artistic pursuits, with performance promotion (8%), publishing (7%), label (6%) and publicity and education (each at 5%) topping the commercial growth activities.

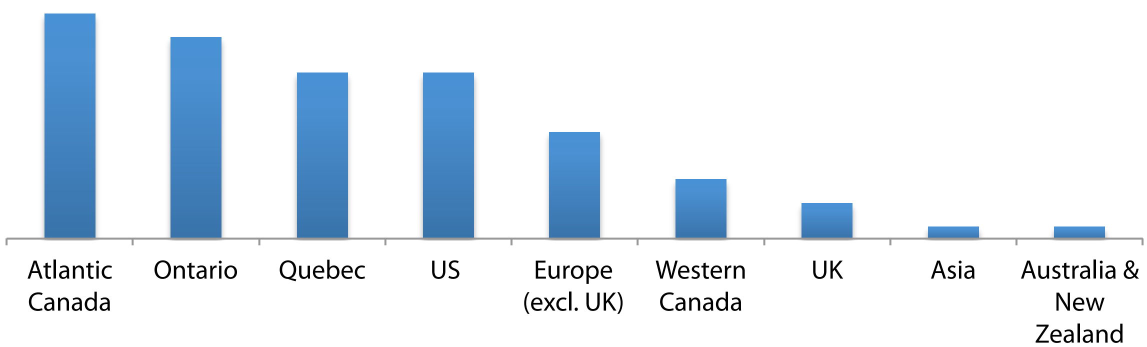
Figure 36 - Areas of growth over the next two years (new activities planned by music artists, businesses & professionals)



Source: Nordicity survey of the NB music industry (2013)

The music business is a global business, and one that requires travel to markets in order to promote, perform and sell works. As illustrated by the figure below, the Canadian market was cited as the most important one for New Brunswick's music industry. Meanwhile, foreign markets including the US and Europe are touted as important by industry members.

Figure 37 – Most important new markets for business expansion



Source: Nordicity survey of the NB music industry (2013)

5.2 Competitiveness of New Brunswick's Music Industry

The province's people are the most significant factor that make New Brunswick a good place to be in the music industry, according to the survey responses of industry members, followed by the province's competitive costs. In terms of the province's people, the bilingual market was identified as the single greatest factor for the province's music industry (1.21 index), followed by the province's artistic skills talent pool (1.13 index). In terms of the province's competitive costs, the competitive cost of living (1.05 index) and cost of doing business (0.82 index) were identified as the third and fourth greatest factors.

Other factors making New Brunswick a good place to be in the music industry included the province's inspiring landscape, the music sector's crossover with other arts, cultural and heritage industries, community support, access to outside markets, future opportunities provincially and the business skills talent pool.

The two factors identified as compromising New Brunswick's desirability as a place to be in the music industry are the level of government support and the opportunities presented through crossover with other creative industries, namely the film and television industry.

Figure 38 - Factors making NB a good place to be in the music industry (businesses and professionals)*

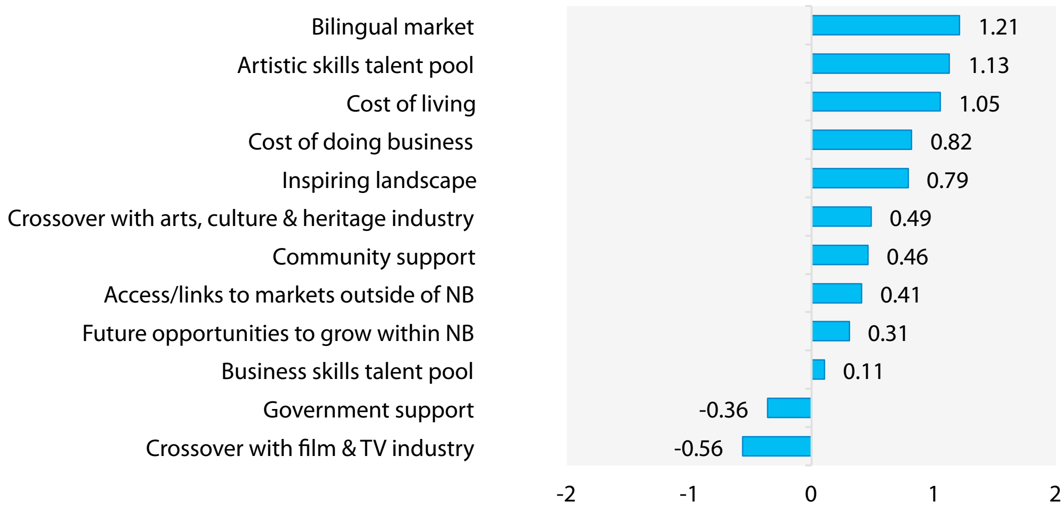
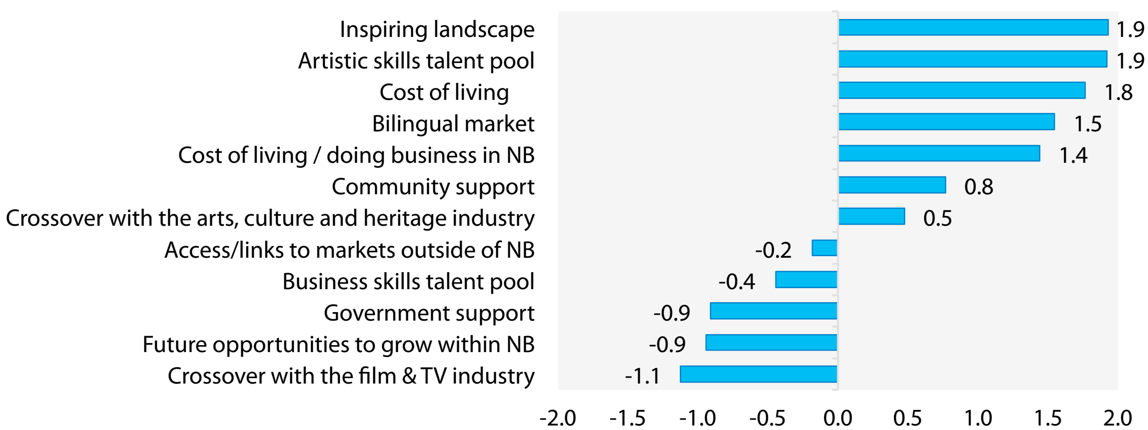


Figure 39 - Factors making NB a good place to be in the music industry (Artists)*



Source: Nordicity survey of the NB music industry (2013)
*Index of factors making NB a good place to be in the music industry.

The greatest limitations to growth in New Brunswick's music industry are primarily matters of affordability and availability. The factor most limiting growth has been identified as access to affordable capital followed by the availability of touring and showcase support, the availability of venues and promoters, and the cost and ease of travel from New Brunswick.

Figure 40 – Factors limiting growth (businesses and professionals)*

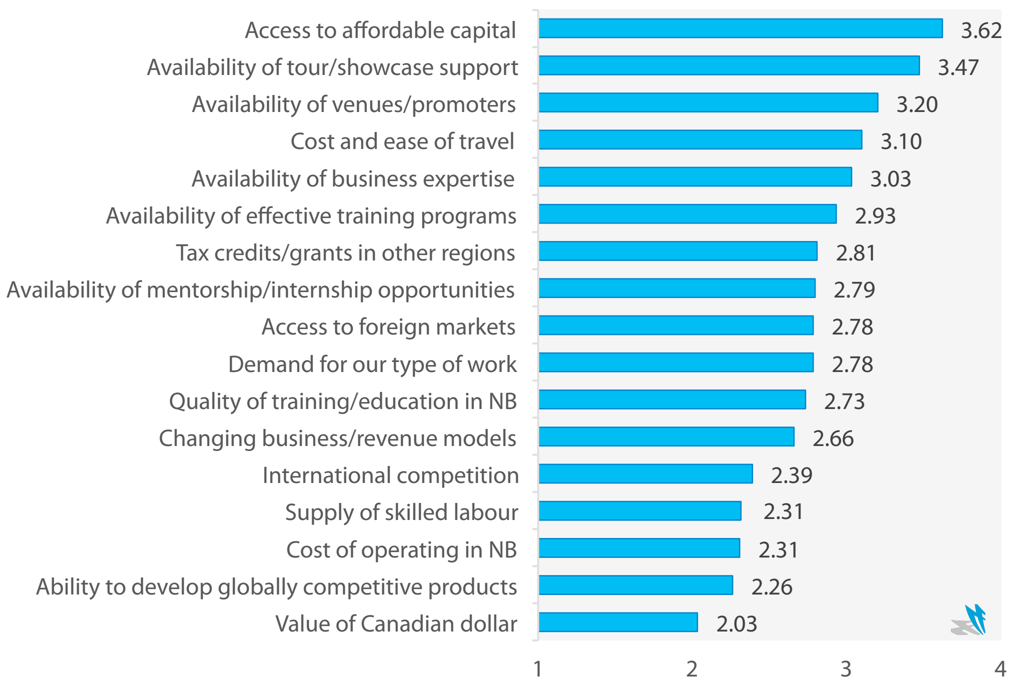
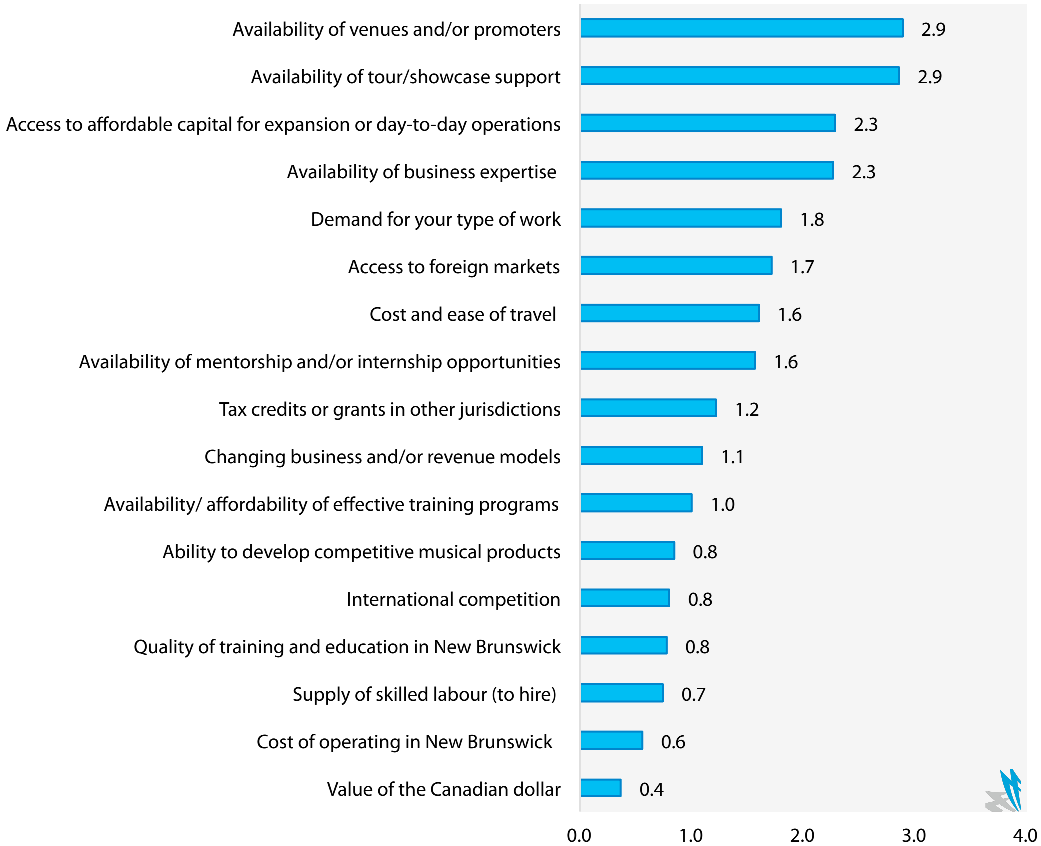


Figure 41 – Factors limiting growth (Music Artists)*



Source: Nordicity survey of the NB music industry (2013)
*Index of factors limiting growth.

5.3 Comparison with Peer Provincial Music Industry Associations

New Brunswick's music industry stands in-line with several comparable peer provinces across Canada, namely Alberta, Manitoba, Nova Scotia and PEI. Both Nova Scotia and Manitoba, which share common population sizes as well as language and cultural traits with New Brunswick, invest significantly in their music industry associations, and delegate to them the administration of their direct music industry funding. Fellow peer provinces Alberta and PEI also charge their MIAs with the remit for music industry funding. Each of these provinces has excelled in their market development and export initiatives. For these peer provinces, each of which share the common challenge faced by geographic isolation from Canada's major music centers[19], these investments can provide greater market coordination and access opportunities. Furthermore, these increases in industry activity can also stimulate more business and commercial activity, ultimately supporting the development and growth of industry capacity and infrastructure.

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[19] Canada's major music industry centers include Toronto, Montreal and Vancouver.

Strategic direction and funding for New Brunswick's music industry is driven primarily by three main program enactors: Music/Musique NB (the provincial music industry association [MIA]), artsnb (New Brunswick Arts Board) and the Government of New Brunswick's Department of Tourism, Heritage and Culture. Unlike many of its peer provinces, New Brunswick's MIA does not administer any direct music industry funding. Instead, funding for the music industry is administered directly by the provincial government (via the Music Industry Development Program and the New Brunswick Arts Board (via cultural sector artsnb grants).

- **Government of New Brunswick, Department of Tourism, Heritage & Culture** administers the Music Industry Development Program (MID). The MID directly supports music industry creation and production, professional development and business development.
- **New Brunswick Arts Board (artsnb)** administers a number of general grants and initiatives for the wider arts community alongside all artistic disciplines, such as creation, professional and artist development.

However, with modest financial and human resources, Music/Musique NB is the leading music industry support body in New Brunswick. Music/Musique NB generates its funding through partners including the Government of New Brunswick, the Government of Canada, FACTOR, Musicaction, SOCAN and its members. Excelling in the promotion, lobbying and business development for the sector, Music/Musique NB provides the industry with specialized workshops and seminars, consultations and business referrals and networking and showcasing opportunities. Members also benefit from receiving timely industry intelligence and information regarding funding programs and opportunities, marketing and promotion through its newsletter and social media, and access to an artist and business resource centre.[20]

Providing substantial business development support for the province's music industry, Music/Musique NB produces an annual industry music week, **MNB Festival**, and provincial music industry awards, **Prix MNB Awards,** in addition to playing a key role with the East Coast Association and East Coast Music Week (ECMW). Its fellow MIAs in eastern Canada such as Music Nova Scotia and Music PEI also deliver provincial music industry festivals and awards, whereas, its peers in Western Canada of Manitoba Music, SaskMusic and Alberta Music do not.[21]

However, unlike the majority of Canada's MIAs, Music/Musique NB does not have the provincial mandate to directly support the province's music sector. While Music/Musique NB does provide training and business development supports, the critical interventions generally administered by many other provincial MIAs are not administered by Music/Musique NB include financial support for (i) music creation and production, (ii) professional development, and (iii) diversity interventions.

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[20] The MNB resource centre is available to members and provides wireless Internet, phone, printer, fax, scanner, publications and a CD collection of NB artists.

[21] The provincial music industries of British Columbia, Alberta, Saskatchewan, Manitoba, The Northwest Territories and the Yukon Territory are served by the Western Canadian Music Alliance (WCMA) which hosts BreakOut West and the Western Canadian Music Awards.

In a review of models across five of New Brunswick's peer provincial MIAs, several key distinctions were made.

- **Peer provincial MIAs directly support music <u>creation and production</u>:** unlike in New Brunswick, live performances are directly supported by Alberta Music and Music Nova Scotia while other creation and production supports like mentorships, exchanges and collaborative initiatives are supported by Music Nova Scotia and Music PEI.
- **Peer provincial MIAs directly support <u>professional development</u>:** while Music/Musique NB supports training delivery alongside its peer provincial MIAs Alberta Music, Manitoba Music and Music Nova Scotia, it does not administer mentorships and internship initiatives, as supported by Manitoba Music, or other forms of professional development, as supported by Music PEI, Music Nova Scotia, Manitoba Music and Alberta Music.
- **Peer provincial MIAs directly support <u>business development</u>:** while Music/Musique NB supports a provincial music industry week and awards alongside its Atlantic peers, it does not provide other forms of support, such as:
    - Marketing and presenter/promoter interventions, as directly supported by Music Nova Scotia;
    - Export support, as delivered directly by Alberta Music, Music Nova Scotia[22] and Music PEI; and
    - Music showcasing, as directly supported by Alberta Music, Manitoba Music, Music Nova Scotia and Music PEI.
- **Peer provincial MIA, Manitoba Music, directly supports <u>diversity</u>:** diversity is encouraged and celebrated through Music/Musique NB, however, it does not currently provide direct intervention to support diversity to the degree Manitoba Music does, with its Aboriginal, francophone and youth initiatives.

[22] In addition to providing direct music export support, Music Nova Scotia has published a provincial music industry export strategy to buttress its substantial export initiatives.

Figure 42 - Comparison of five peer MIAs

Provincial MIA		Music /Musique NB	Alberta Music	Manitoba Music	Music Nova Scotia	Music PEI
Creation / Production	Live performance (incl residencies)		X		X	
	Other (incl. mentors, exchanges)				X	X
Professional development	Mentorship			X		
	Internship			X		
	Training delivery		X	X	X	
	Other		X	X	X	X
Business development	Marketing				X	
	Presenter/ promoter support				X	
	Export support		X		X	X
	Provincial export strategy				X	
	Showcase		X	X	X	X
	Industry Music Wk	X			X	X
	Provincial Industry Awards	X			X	X
	Other		X	X	X	X

Source: Nordicity research

5.4 Observations and Conclusions

A series of observations and conclusions derived from Nordicity's research and analysis were presented, critiqued, amended and finally validated by a four panels of French and English focus groups. Potential action partners identified in the consultations are noted in parentheses '( )'.

- As the voice and vision of the music industry, the music industry association could address industry demand by playing a greater role in the design and administration of public funding. Given the ever-changing and market-driven nature of the music industry, which requires a unique balance of both artistic and commercial objectivity, support for the music sector is often best designed or administered by bodies with an intimate knowledge and understanding of the music industry. While the music industry association does contribute to the funding programs in a consultative manner, their expertise in the industry could be leveraged further in program delivery as evidenced by a number of other comparable Canadian provinces, where sector support is delivered by the provincial music industry association. (**MNB**)

- New Brunswick's music industry should make music exports outside of the province a priority for music artists, businesses and professionals. Exports to outside the province are critical to the success and sustainability of New Brunswick's music industry, and further initiatives promoting New Brunswick artists, businesses and professionals would advance the industry's profile, business development, sales and revenues. Priorities should focus on leveraging the province's unique set of strengths and prepare it to take advantage of its opportunities, such as its unique linkages with the francophone, Quebec, Acadian and European markets. (**All stakeholders**)
- A public directory of industry members, suppliers and stakeholders could equip and empower music artists, businesses and professionals to expand their networks and leverage existing strengths within and beyond New Brunswick. (**MNB**)
- Increasing the industry association's advocacy and business development role could help build closer linkages and dialogue with industry stakeholders and policymakers. (**MNB**)
- Increased music industry education for artists and industry professionals in the region would advance the sector's skill set, general competitiveness and as a result, overall sustainability. (**MNB, East Coast Music Association, SOCAN, FACTOR, Centre for Arts and Technology, Atlantica Centre for the Arts, InterAction School of Performing Arts, provincial music educational professionals, provincial music industry professionals**)
- Facilitating initiatives for industry collaboration between different regions of the province (including cities such as Moncton, Saint John, Fredericton and northern cities, as well as rural communities) could unlock new synergies and unleash unrealized potential and opportunities. (**MNB, artsnb**)
- Increasing outreach with the community, including young people and students, about the professional and creative opportunities available through the music and cultural industries could increase industry awareness and open the sector's creative and employment opportunities to a wider pool of citizens, jobseekers and new talent. (**MNB**)
- Developing a mentorship program could unlock employment opportunities for individuals by leveraging the skills and experience shared by industry professionals. (**MNB, East Coast Music Association, Atlantica Centre for the Arts, Centre for Arts and Technology, InterAction School of Performing Arts, FJFNB**)
- Establishing a 'cultural orientation' initiative or 'cultural sector liaison' for the general public (or targeted segments thereof) could increase music industry engagement, audiences and participation, while contributing to wider industry outreach efforts. (**MNB, provincial event promoters and stakeholders**)
- Establishing an 'educational toolkit' or seminar initiative could provide cost-effective and scalable skills and training resources specific to the unique needs of the New Brunswick music industry and creative industries more widely. (**MNB, East Coast Music Association, Atlantica Centre for the Arts, Centre for Arts and Technology, InterAction School of Performing Arts, Peter Cullen, CHRC**)

> *It is always important to know the basic steps in navigating the music industry. For example, how do you start, and where are the best 'places' to go from there.*
>
> **- NB music artist**

APPENDIX A – Project Contributors

We would like to express our gratitude to the following supporters for their contribution to the project.

David	Adams
Marc	Arsenault
Zach	Atkinson
Mike	Biggar
James	Blanchard
Corey	Bonnevie
Shawn	Bostick
Yolande	Bourgeois
Hilary	Branch
Clinton	Charlton
Peter	Cullen
Lynne	Daigle
Tim	Davidson
Daniel	Downes
David	Elliott
François	Émond
Tricia	Harrity
Cody	Hicks
Richard	Hornsby
Shaun	LeBlanc
Barbara	Long
Ken	Mainville
Mark	Marshall
Monique	Poirier
Pascal	Raiche-Nogue
Scott	Sampson
Kimberly	Sinclair
Jamie	Steel
Jean	Surette
Chuck	Teed
Amy	Theriault
Mélissa	Thibodeau
Marie-Pierre	Valay Nadeau
Véronique	Wade
Graeme	Walker

APPENDIX B – Glossary of terms

Direct Impact	The increase in GDP and employment within the New Brunswick music industry.
Direct Jobs	Those jobs within businesses that create music, music products or music services.
Fiscal Impact	The net result of a calculation of provincial revenue and expenditure.
Gross Domestic Product (GDP)	The market value of all officially recognized final goods and services added within a jurisdiction in a given period of time.
Gross Output	The sum of production expenditures, capital expenditures and revenues.
Gross-up	The process of extending a sample (*e.g.,* 'n' of survey responses) to reflect the overall universe (or 'N' population).
Household Income	The combined sum of all incomes of all adult members of a household.
Indirect Impact	The increase in GDP and employment in the industries that supply inputs to the New Brunswick music industry.
Induced Impact	The additional economic activity due to the re-spending of incremental household income in the New Brunswick economy.
Intensity Ratio	The amount of a given output (*e.g.,* GDP) per unit of activity (*e.g.,* $1 million of revenue).
Music Artist	Solo artists, composers, songwriters and music groups.
Music Businesses and Professionals	Those businesses and professionals, entrepreneurs and/or freelancers that are involved in the music industry value chain (*e.g.,* those that create music, music products or music services).
Music Organization	Those not-for-profit organizations that work to support and develop the music industry.
Music Industry Value Chain	The series of activities (or processes) that comprise all aspects of the music industry, from concept through creation to distribution and consumption, often undertaken by a complex network of artists, businesses and professionals.
Spin-off Jobs	Those jobs in other industries that are sustained by the music industry's expenditures.

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Nordicity (www.nordicity.com) is an international consulting firm providing private and public sector clients with leading solutions for Strategy and Business, Economic Analysis and Evaluation, Policy and Regulation across the arts, cultural, creative, technology and innovation sectors.

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Report by Nordicity. NGL14-02-11