



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Tourism and Culture Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	March 20, 2019
<b>SUBJECT/REPORT NO:</b>	Creative Industries Sector Profile Report and Implementation Recommendations (PED19056) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Debbie Spence (905) 546-2424 Ext. 3049
<b>SUBMITTED BY:</b>	Carrie Brooks-Joiner Acting Director, Tourism and Culture Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the Creative Industries Sector Profile Report, attached as Appendix “A” to Report PED19056, be received;
- (b) That findings from the Creative Industries Sector Profile Report, attached as Appendix “A” to Report PED19056, be used to guide and focus the City’s business development efforts on the creative industries sector;
- (c) That Tourism and Culture staff be directed to finalize their draft action plan, attached as Appendix “B” to Report PED19056, that provides a summary of staffs’ draft work plan, into work plans utilizing existing resource and any actions that would require additional resources be requested through the annual budget process.

**EXECUTIVE SUMMARY**

The Creative Industries Sector Profile was identified as an action in the Economic Development Action Plan 2016-2020. The goal of the Creative Industries Sector Profile is to assist the City in guiding and focusing its business development efforts on the areas with the most opportunities to positively impact Hamilton’s economy and support economic development goals identified in the 2015-2020 Economic Development Action Plan. Currently, the City’s creative industries business development efforts are stretched across the sector and are guided by existing strategies and plans such as the

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Music Strategy, the Cultural Plan, and Economic Development Action Plan however these plans have not collected or analysed key data for the industry.

The Creative Industries Sector Profile Report, attached as Appendix “A” to Report PED19056, provides Council and Hamilton’s creative businesses, workers and supporting organizations much needed data (i.e. # of businesses, # of workers) about Hamilton’s creative industries sector and identifies gaps and opportunities in areas with the greatest potential for economic growth.

### **Creative Industries Sector Profile Report Highlights**

- Hamilton’s Film, Music and Fashion sectors are the three leading areas for growth and market competitiveness in the creative industries;
- Four characteristics that help define the creative industries sector are: young, self-employed, educated and commuters; and,
- There are distinct layers to the supply chain of this sector:
  - ‘core creative’ an occupation or business that is critical to the sector and without it the sector would not exist (e.g. musician, actor, writer, designer, visual artist etc.); and,
  - ‘core support’ a business or occupation that exists to support the core creatives (e.g. film studio, music recording studio, gallery).

### **Labour force (2016 stats)**

- Approximately 11% of Hamilton’s total labour force (29,790) works in the creative industries sector and contributed either directly or indirectly to the production of goods and services;
- Mostly younger and self-employed, which is higher than other sectors (50%: 25-44 years old and 26%: self-employed);
- Highly educated but immediate shortage of skilled labour and local training programs identified in film and fashion sub-sectors;
- The median employment income of creative industries sector workers in Hamilton was \$36,657 compared to \$38,953 for workers in all occupations. Although the median employment income of creative industries sector workers in Hamilton is lower than the rest of occupations, the income is still higher compared to \$35,945 in Ontario and \$33,746 in Canada;
- Employment growth in the sector, from 2011 to 2016, has been quite strong at 16% and is higher than both provincial and national rates at 12% and 10%, respectively; and,
- Hamilton imported approximately 11,905 workers from other communities to work in its creative industry sector.

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Business Community (2017 stats)

- Approximately 2,488 businesses in Hamilton were creative industries sector businesses, representing 6% of total businesses. The provincial and national rates are 6.5%; and,
- The majority of creative industries sector businesses are small. 64% of all creative industries sector businesses were sole proprietor and of the businesses with employees, the majority were micro-establishments employing 1-4 employees.

Trends and Common Challenges

- 16% employment growth (2011 – 2016);
- Businesses and workers are interested in opportunities for increased cross-sector collaboration as supply chains overlap in certain areas; and,
- Opportunities, gaps, and strong support for enhancements in Training and Skill/Professional Development as well as cross-sector coordination and marketing.

**Alternatives for Consideration – Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** N/A

**Staffing:** N/A

**Legal:** N/A

**HISTORICAL BACKGROUND**

In 2016, the Economic Development Action Plan 2016-2020 was received by Council. Creative/Cultural Industries was identified as a key industry sector.

The Action Plan identified six specific actions for the Creative/Cultural Industries Sector with the primary focus on the film and the music sector. The Action Plan acknowledges that the Creative/Cultural Industries sector profile results would confirm which areas of the creative industries sectors should be focused on as areas of growth.

In 2018, MDB Insight (a management consulting firm specializing in economic development, cultural development and workforce development) with support from local firm Civicplan, were awarded the contract to complete the Creative Industries Sector Profile Report.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

N/A

## **RELEVANT CONSULTATION**

Hamilton's creative industries business community and local stakeholders were consulted as part of the Creative Industries Sector Profile research. Consultation included:

- Business Telephone Survey – 190 responses to a survey of creative industries businesses and organizations;
- Stakeholder Interviews – interviews with approximately 15 stakeholders in the sector as well as senior City of Hamilton staff; and,
- Three Consultation Workshops - with stakeholders drawn from the Film, Music and Fashion sub-sectors.
- General Manager, Planning and Economic Development Department
- Director, Economic Development Division, Planning and Economic Development Department
- Manager, Business Development Section, Economic Development Division, Planning and Economic Development Department

Findings from all consultations are included in the Creative Industries Sector Profile Report, attached as Appendix "A" to Report PED19056.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

This report provides Council and Hamilton's creative business and arts communities much needed data about the local creative industries sector and identifies areas with the greatest potential for economic growth. Often viewed through a strictly "quality of life" point of view, the creative industries sector has strong economic impact and benefits from being considered using the same economic and business development analysis as is done with the city's other key economic development sectors.

Hamilton has defined the creative industries to align with Statistics Canada's categorization that includes the sub-sectors of:

1. Film;
2. Fashion;
3. Live performance;
4. Music;
5. Visual and applied arts and makers; and,
6. Written and published works.

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The goal of the Creative Industries Sector Profile is to assist the city in guiding and focusing its business development efforts on the areas with the most opportunities to positively impact Hamilton's economy and support the 2015-2020 Economic Development Action Plan.

#### Leading Areas for Growth and Market Competitiveness

Creative industries sub-sectors in Hamilton were benchmarked against 10 comparator cities in Canada: Toronto, Edmonton, Ottawa, Kitchener, London, Victoria, Halifax, Regina, Windsor and Sudbury. An accepted metric of the competitive strength of specific creative industries sub-sectors is the percentage of occupations in that sub-sector as a percentage of total creative industries occupations. Based on this analysis, Hamilton's performance is as follows:

- Music - Hamilton ranked FIRST among all other comparator regions;
- Film - Hamilton ranked SECOND among all other comparator regions;
- Live Performance - Hamilton ranked SECOND among all other comparator regions;
- Fashion - Hamilton ranked THIRD among all other comparator regions;
- Written and Published Works - Hamilton ranked FIFTH among all other comparator regions; and,
- Visual and Applied Arts and Makers - Hamilton ranked SEVENTH among all other comparator regions.

#### Why Film, Music and Fashion

These three industries are identified as the leading areas as they demonstrate the most potential for continued and new economic impact and growth demonstrated through the following: number of jobs and gap in labour force, number of businesses, proven growth, opportunities and scale of businesses that will positively impact the non-residential tax assessment, formal and informal collaboration at grassroots level, provincial incentives/support and strong provincial GDP numbers and economic impacts, significant short-term skills and training gap/opportunities especially in Film and Fashion and strong commonalities within these sub-sectors.

The Creative Industries Sector Profile Report, attached as Appendix "A" to Report PED19056, contains profiles for all six sub-sectors in the *Creative Industries Sector Baseline Analysis and Benchmarking Analysis* included as Section 2 in the Technical Report and the SWOC analysis and focus group details that support the above findings.

## Highlights for Film, Music and Fashion

### Film

- 9,400 total employment in Hamilton's Film Industry;
- 901 total number of businesses;
- 2<sup>nd</sup> busiest film production location in Ontario;
- Comparatively, Hamilton had the 3<sup>rd</sup> largest growth of employment in its Film Industry; and,
- Home to the 3<sup>rd</sup> largest cluster of Film Industry Businesses across Canada.

### Music

- 7,725 total employment in Hamilton Music Industry;
- 541 total number of businesses;
- Comparative, ranks number one (1) as a top destination for music related occupations; and,
- Hamilton has the 6<sup>th</sup> largest cluster of Music Industry Businesses across Canada.

### Fashion

- 7,540 total employment in Hamilton's Fashion Industry;
- 521 total number of businesses;
- Comparatively, ranks as top three (3) destination for fashion related occupations; and,
- 5<sup>th</sup> largest cluster of Fashion Industry Businesses across Canada.

A key factor to maintaining and growing Hamilton's creative industries are the core creatives (e.g. musicians, actors, writers, designers, visual artists etc.) who work in all sub-sectors. The City should seek additional ways to recognize the important and critical work of core creatives. This is enforced by the significant percentage of workers, businesses and high number of core creatives visual arts and makers sub-sector which has the most diversity in types of jobs and businesses ranging from architects, graphic designers, photographers, original visual artists, crafts, and digital media.

## Implementation

Tourism and Culture Division staff have reviewed the report findings and potential actions list and developed a draft action plan , attached as Appendix "B" is a summary of the draft plan to Report PED19056, and categorized next steps into the categories of Business Retention and Investment Attraction, Talent and Skills Development, Local Industry Engagement, Marketing and Branding, and Further Research. Staff will finalize this action plan to determine the scope of each of the categories and actions and determine what can be accomplished without any impacts on resourcing and existing budgets. Any actions that require additional resources will be requested through the annual budget process.

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A few examples of new actions that staff have determined are feasible and achievable to begin or complete in 2019 include:

- Explore the feasibility of creating an arms-length 'Hamilton Film Industry Team';
- Undertake economic impact research for Hamilton's music industry;
- Explore potential partnerships to facilitate and support the development of a sector-wide creative incubator, hubs or collaborative spaces with a focus on core creatives;
- Host a creative industries forum event to advance cross-sectoral priorities and assist with sector wide collaboration and business opportunities;
- Address immediate labour and skills gaps for the film sub-sector by working with and facilitating partnerships with post-secondary institutions and trainers (unions) to help develop, attract and retain talent (i.e. explore potential involvement in local high school co-op program); and,
- Identify projects or partnerships to assist in addressing labour and skills gaps for the fashion sub-sector by working with local fashion designers and manufacturers, post-secondary institutions and trainers to develop and retain local talent and increase awareness and opportunities for youth to engage with these careers.

## **ALTERNATIVES FOR CONSIDERATION**

Not applicable

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

### **Culture and Diversity**

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

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**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PED19056 - Creative Industries Sector Profile Report

Appendix “B” to Report PED19056 – Summary of Staff’s Draft Action Plan for Creative Industries Business Development Efforts

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