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Building Ontario's Music Economies

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Introduction

The goal of this report is to demonstrate the opportunity cities in Ontario have to attract, incubate and retain musical talent at a time when the structural and spatial landscape of the global music industry is in flux. This report argues that changes to the music industry, in the wake of new digital technologies, and a declining market for recorded music is leveling the playing field for cities and allowing new locations to compete with the established centers of music production. New technologies and fragmentation have provided individual musicians greater creative and geographic freedom and weakened the power of Los Angeles and New York. Therefore, forward thinking cities within Ontario that already have clusters of music-related activity such as Toronto, Peterborough and Picton, have a window of opportunity. By acting strategically, these city-regions could not only become the new destinations for musical talent, but also grow their creative sectors and broader bases of talent as well. This report also expands on why musicians contribute to the cultural dynamism of places and serve as essential building blocks of economic and social prosperity. For example, when musicians settle in cities they generate vibrant music scenes signifying that the city in question offers attractive amenities. The presence of musicians, therefore, attracts other strands of talent, professionals, scientists and other 'creatives', growing the pool of talent and drawing in new businesses, jobs, innovators and consequently, sources of wealth. Beyond economic and social benefits, musicians also serve to generate new products and knowledge spillovers by engaging in collaborative partnerships with related and non-related industries. In fact, new evidence suggests that musicians not only collaborate on creative projects, but also to generate new products, technologies and markets as well. Furthermore, in addition to catalyzing innovation musicians serve an important role as ambassadors of products and knowledge who transport, diffuse and promote ideas, styles, products and technologies to new and existing markets. Musicians are, therefore, early adopters who help to promote and commercialize fringe ideas and products in the wider marketplace.

In the current knowledge economy musical talent is a key driver of economic and social prosperity in city-regions and should be valued as such. Recognizing the benefits of this group, however, is only the first step. Indeed, the crucial question is not only what city-regions can do to attract, incubate and retain musical talent, but also how city regions can support and harness these individuals more

effectively. To answer these questions this report examines the changing employment experiences of musical talent in Toronto to produce an empirical portrait of the characteristics and preferences of musicians. The goal is to use these findings to form the basis of strategies to support musical talent across Ontario. Interestingly, this portrait suggests that Toronto is currently at a crossroads, displaying the ability to attract musical talent, but lacking the supportive infrastructure required to retain these individuals. In this respect Toronto is underperforming as the city is failing to fully harness the benefits of a robust music economy. Moreover, when the musical talent Toronto has attracted and developed leaves for other centers, the city is essentially investing in the prosperity of its competitors. The findings also suggest, however, that strategic action by Toronto's urban managers has the potential to curtail the talent loss and reverse this trend. This situation also points to a great opportunity for smaller cities in Ontario to market themselves as more attractive home-bases for musical talent, who require access to the Toronto market, but are now relocating to more affordable and artist-friendly communities in the suburbs and periphery.

Methodology

The findings presented in this report are drawn from multiple sources. The first and primary source of data comes from 65 semi-structured interviews conducted with musicians and key informants. These informants included executives at major and indie record labels, studio owners, managers, music professionals and government officials who were well positioned to comment on these trends at the macro-scale. To reflect the diversity of Toronto's music economy, the respondents interviewed were selected from a broad range of perspectives including those who participate in Toronto's jazz, rock, punk, electronic and hip hop scenes as independent or freelance musicians as well as those signed to major and indie label contracts. Moreover, several individuals who work for Toronto's large classical institutions such the Toronto Symphony Orchestra, Tafelmusik, the National Ballet and the Canadian Opera Company were also interviewed. Beyond their genre and employment status, the musicians interviewed are also differentiated by place of birth, age, gender and level of education. The prime justification for the use of qualitative interviews comes from the exploratory nature of the research and specific calls from the relevant literature, including the work of Markusen and King (2003) who advocate qualitative research to uncover the micro-geographies of artists and the finding of Wolfe and Gertler (2004) that the dynamics of industrial clusters can only be properly captured by using qualitative techniques. In addition, this analysis has been informed by quantitative census data from Statistics Canada and mapping data provided by the Cultural Economy Lab at the University of Toronto.

Musical Talent Drives Economic and Social Prosperity

The purpose of this section is to establish the main reasons why the presence of musical talent in cities contributes to economic and social prosperity. The point is that musicians are more than troubadours who entertain citizens but important economic engines in city-regions as well.

First let us consider the direct financial impacts of the music industry to Canada and Ontario. According to a recent report by Hyatt (2008) the retail sales of recorded music in Canada totaled \$703.7 million in 2006. Moreover Canadian music publishers, who receive royalty revenues, earned \$116 million in 2006. In terms of live musical performances, the gross revenue in Canada for 2005 was estimated at \$752.8 million. Hyatt points out, however, that this figure only counts tickets sales and fails to estimate the considerable secondary expenditures for food, beverages, merchandise, parking and a range of other goods and services complementary to the enjoyment of music in these venues. Hyatt also examines the lucrative market for musical instruments and music lessons in Canada reporting that Canada is the seventh largest market in the world for music products, with retail sales exceeding \$900 million in 2005.

In addition to these direct figures, a whole range of music related activities, goods and services, contribute indirectly to the economies of city-regions. In their study of the post-industrial music economy in Stockholm, Sweden, Power and Jansson (2004) explain that the real money generated from music does not come from selling MP3s but rather a host of specialized goods and services. The point is that adding musical content adds value to new and existing products. In their case study, they demonstrate that Stockholm's music economy has been successful in exploiting emerging market demand for products such as ringtones, virtual music instruments and software while also providing specialized services like music video production for large American firms.

“Increasingly there is an awareness that a successful music industry can be based on providing specialized services that can be sold across the globe; and that these services are increasingly the most profitable areas of the musical value chain. In the conclusion and below we argue that as the album sales decline and copyrighted material becomes increasingly impossible to protect...it will be innovative service based and often ICT mediated elements of the musical economy that the largest profits and value added will reside: that a post-industrial musical economy may arise.” (Power and Jansson, 2004, 427)

Focusing on Toronto, more specifically, Hauge and Hracs (forthcoming) argue that independent musicians can add value to cultural products within localized scenes by forming collaborative linkages. By collaborating with other 'creatives' in the cultural sectors, such as fashion designers, musicians add further value by imbuing clothing and accessories with their sonic styles, making these products instantly more marketable and valuable. This musician, for example, is

collaborating with a Toronto-based fashion designer to develop a musically inspired clothing line:

“We’re doing an exchange where she’s designing clothes for me and I get to keep them. I’m her muse for her next line. She’s starting a new line and it’s based on what I consider when I’m getting dressed for a show. I guess it’s for people who have day jobs and then are artists and musicians at night, and designing the clothes accordingly” (Ms. A, Singer, July, 2008).

Indeed, this is but one example as entire fashion lines from global fashion houses such as H&M to local indie producers have been designed and marketed based on music scenes, subcultures and specific musicians, such as punk, reggae, metal, goth, grunge (Neil Young, Pearl Jam) and teen-pop (Avril Lavigne). Moreover, there are numerous examples of musical content adding value to a range of other products including films, TV shows, advertising and marketing campaigns. The emerging and lucrative market for video games, in particular, has long featured music content in its products and recent examples include best selling games such as ‘Guitar Hero’, ‘Rock Band’ and ‘Wii Music’. In fact, in 2007 the combined sales of Guitar Hero and Rock Band in the U.S. were \$935 million eclipsing the sale of digital music from Apple’s iTunes music store by \$100 million. Music and musicians are also catalysts of technological innovation as well with notable examples including the iPod and iPhone and a host of breakthroughs in e-commerce and the growing online marketplace, which stem from the recording industry developing the infrastructure to sell music online. In another specific example of how music can generate new products and value in the economy, Apple is now selling music lessons from popular artists such as Sting and Nora Jones in video format. Selling for \$6.49 and easily downloadable from Apple’s online ‘lesson store’ these lessons have the potential to usher in a new and lucrative market for music related digital products.

Musical talent also contributes to the social fabric and attractiveness of city-regions by creating vibrant music scenes, which work in harmony with other cultural amenities, such as restaurants, to enhance the quality of place. Indeed the quality and authenticity of place, generated by these music scenes, can be projected and marketed to attract new migrants and retain existing residents. In Ontario, for example, 47% of individuals surveyed by Hyatt (2008) indicated that they had attended live musical performances in the last year. Dynamic and vibrant music scenes and pools of musical talent, therefore, signal to others that places are diverse, authentic and by extension attractive places to live and work (Florida, 2002). Consequently, musical talent, should be recognized for the important dual function they play in cities, by not only contributing to the economy themselves, but also by acting as magnets for other strands of talent.

The Structural and Spatial 'Remixing' of the Music Industry

Cities in Ontario have an opportunity to grow their music economies by attracting musical talent because the music industry is currently in flux. Put simply, the long established practices and locations of music production, by major record labels in New York and Los Angeles, are changing in response to the introduction of new technologies. As this section will show, the net effect is twofold; first the barriers to producing music have been significantly lowered and second, with computers and home-based recording equipment, the production of music is now placeless, meaning that more individuals can enter the music industry and locate wherever they choose.

In the last ten years the structural and geographic landscape of the global recorded music industry has been radically altered by the introduction of digital music files or 'MP3s' and the practice of 'sharing' copyrighted music over the Internet with programs such as Napster. Although several aspects of the so called 'MP3 crisis', including the rise of 'gift economies' and the post-MP3 restructuring of the North American recorded music industry have been addressed by scholars¹, the rise of independent music production and the spatial 'remixing' of the music industry, have yet to be addressed. Therefore, although it is beyond the scope of this report to comprehensively chronicle the larger saga, the following section will provide a streamlined contextual background of the most pertinent outcomes of the 'MP3 crisis'.

In his macro-structural analysis of the North American recorded music industry, Scott (1999) provides a useful snapshot of what the industry looked like before the 'MP3 crisis'. At that time the industry was dominated by an oligopoly of 'major' record labels including Sony and Universal who were responsible for over 80% of global music sales. These major firms, who also owned the majority of the, so-called, independent or 'indie' labels, were vertically integrated and controlled every aspect of the music production, promotion and distribution process. As the majors and their affiliates were geographically concentrated in Los Angeles, New York and, to a lesser extent Nashville, these centers of production functioned as 'black holes', sucking in musical talent from all over the world.

In the wake of the 'MP3 crisis,' however, the majors have not only suffered a severe economic downturn, but also the subsequent curtailing of their ability to dictate the terms of production, distribution and geographical location. At the same time, the profusion of technological equipment and expertise served to intensify these changes. On one hand the decline of the majors, who in an effort to cut costs terminated the recording contracts of thousands of musicians and began drastically limiting the numbers of new signings, forced musicians to begin producing music on their own. Ironically, the same technology that crippled the

¹ (Leyshon, 2003; Jones, 2002; Connell and Gibson, 2003; Leyshon et al, 2005; Power and Hallencreutz, 2005).

majors and put these musicians out of work, has also allowed these musicians to produce music independently from anywhere. Before the crisis, the majors kept the production process in-house and small firms and individuals found music related equipment too expensive to acquire. With the emergence of digital music formats and affordable, home-based, studio equipment, however, high quality and independent production can now occur anywhere. Moreover, as the Internet has become a viable conduit through which musicians and music professionals can collaborate and produce music, the 'need' to live and work in established centers like Los Angeles and New York has dissipated.

Although the majors are still key actors in the industry and many musicians and music professionals still 'choose' to locate in the traditional centers of music production, these developments have contributed to a spatial 'remixing' of the geography of music production. This has opened the door for cities such as Toronto to develop a thriving indie music scene and emerge as a player in the global market of music production.

The New Careers of 'Working' Musicians

How have these changes impacted the employment experiences of typical working musicians in Canada? This section will argue that while the major model (see Figure 1) still exists and many musicians still 'choose' to locate in Los Angeles and New York, independent music production has become more than a niche alternative. Correspondingly, the technologies and practices that facilitate independent production are opening up new spaces for music production and providing individual musicians with unprecedented levels of creative and structural freedom. Of critical importance, however, is the fact that severe forms of risk have accompanied these new freedoms. Put simply, as the broad range of creative, managerial and technical tasks associated with the production process have been 'downloaded' to individual musicians the nature of musical employment is becoming increasingly precarious.

"In the early 1980s, being an independent musician was a choice, some people didn't want to work towards a major label deal because there were restrictions and conditions attached to that...Now very few artists can still get signed to major label deals, so the majority of artists end up on the independent side" (indie Musician and Music Producer, July, 2008).

Major Record Labels are Scaling Back

In the post-crisis environment, the majors have lost market power and creative control to big box retailers such as Wal-Mart, Best Buy and Costco and this has had several important consequences for individual musicians. With the majors now focusing on established and still commercially viable artists or 'cadillacs'

such as The Tragically Hip and Celine Dion, it has become increasingly difficult for new musical talent to obtain and retain recording contracts.² While musicians traditionally produced and distributed demo tapes to the majors in the hopes of getting 'signed' to a recording contract, musicians in some cases have to produce and distribute several albums 'independently', before a major will sign them. Moreover, as Grant and Wood (2004) point out, once signed, musicians must be commercially successful or the majors 'will drop' them immediately. So as the following quote suggests, the responsibility and risk of developing talent has been downloaded from the majors to the artists themselves.

"The onus is more than ever on the individual to actually do it themselves... under the old system, you get picked up, put in a studio and you just have to be creative and express the music. But now, I'm going to be honest, even as a major label, I am not interested in getting into business with individuals who don't know how to do these things themselves, how to market themselves, how to book shows, because it is very difficult and it is very competitive" (Executive at Sony-BMG Canada, March, 2008).

Furthermore, whereas the majors once provided the full range of specialized services to their recording artists depicted in Figure 1, in an effort to cut costs, this practice has been scaled back and is now often reserved for super-star artists. This shift has, therefore, resulted in downloading, as musicians are now required to perform the additional technical and administrative tasks outlined in Figure 2 by themselves.

"The majors are more interested in the finished product instead of the developmental process...Over the past several years, in particular, the whole artist development role of the label has rapidly dwindled away, labels are not willing to take the same kind of risks or invest the same kind of time to develop an act, and to build an audience, they're looking for ready-made products" (Music Industry Insider, March, 2008).

² (See Power and Hallencreutz, 2005 for a more detailed account of this shift.)

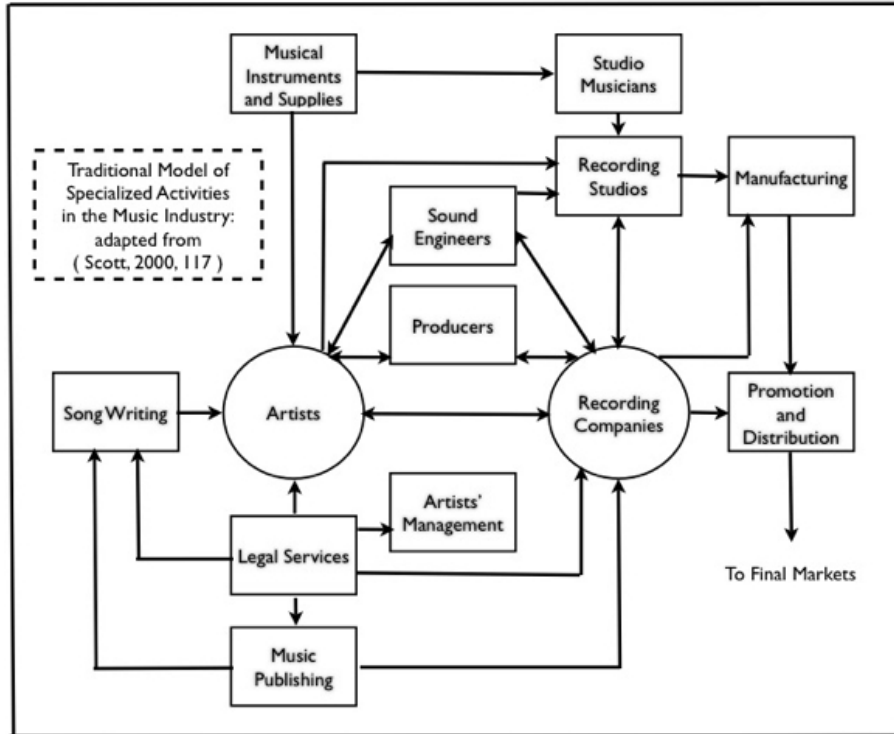


Figure 1: The Traditional Model of Services Controlled by the Majors

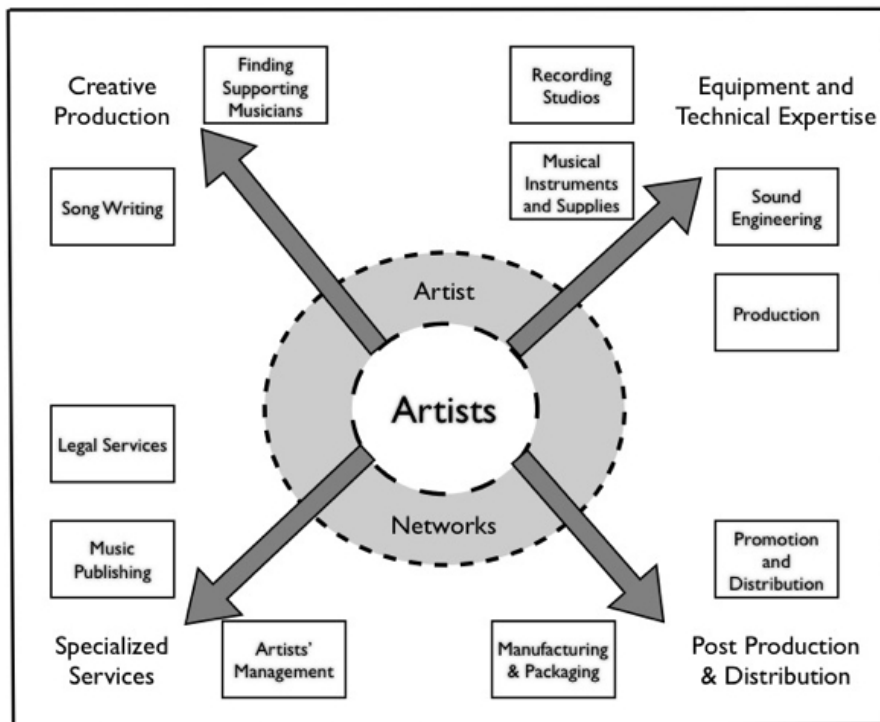


Figure 2: Music Production in the Post-Crisis Environment

According to the Canadian Independent Recording Artist's Association (CIRAA) less than 5% of all the musicians in Canada are signed to recording contracts, making the remaining 95%, by definition, independent. This is more than a shift in name only, however, as the research for this report, which draws extensively from in depth interviews with musicians in Toronto about their employment experiences, suggests that making a sustainable living from music is harder than it has ever been. In particular, regardless of genre, working as a 'indie' or freelance musician is very precarious in nature. For example, musicians face a declining demand for recorded music, with illegal downloads and entertainment alternatives such as video games and DVDs, eating into the real dollars being spent on music, but this is compounded by increasing competition for a shrinking pot. In some centers the low barriers to becoming a professional musician has caused a severe over-supply of musicians on the live performance circuit meaning that just as the importance of generating revenue from performing live is increasing, the ability to get well paying 'gig's is declining. Moreover, as many young musicians are entering the labour market without joining unions the once enforceable standard union scale, paid per hour of performance, has become a free for all where musicians undercut each others prices to get on stage. Indeed, many working musicians in Toronto complained about the difficulty in making a sustainable living.

"Getting paid for gigs is a treat, because there are so many musicians now and bands in the city and the majority of them are half decent so there is a lot of competition, but nobody's paying." (Mr. J, Drummer and Guitarist, June, 2007)

"It is common to not get paid or to have to pay to play which of course makes no sense at all. Now (after three years) we are getting paid more consistently but it is a maximum of \$50 or \$60 dollars divided amongst the members in the band. That does not even really cover the cost of equipment and rehearsal time. Usually it will buy you dinner for that night, and maybe the gas to get to the show." (Mr. A, Drummer, March 2007)

"If you are a jazz musician, you just don't get paid that much, you don't get paid scale." (Ms. K, Cellist, June, 2008)

The 2001 Canadian census confirms this trend as the musicians surveyed reported average annual income of \$16,090, or 75% less than the national average. In addition to low incomes, musicians also reported a series of other economic and social risks including the high cost of equipment and transportation. According to Hyatt (2008) Canadian musicians incurred annual expenses of \$8,346 of which \$2,112 went towards transportation and \$1,486 went towards instruments. As this musician put it:

"One year I did my taxes and I claimed these music related expenses on my taxes and I think I spent about \$8000 that year on equipment. When you sit there and

work it out, when you are working part-time or minimum wage jobs and you think, 'where is all my money going?' (Mr. G, Drummer, April, 2007)

Moreover, Hyatt (2008) reports that 98% of the musicians he surveyed were managed, either by themselves or a spouse, and many of the respondents for this report listed the lack of business skills as a serious challenge in their careers. Balancing multiple jobs and freelancing also resulted in physical stress, injuries and anxiety over income uncertainty. Keeping work and home lives separate was also a common challenge for musicians in Toronto. These respondents point out the physical risks involved and the lack of business skills:

"For me it is the sleep deprivation, balancing the job and the band stuff was exhausting for me. Getting up early everyday. I took a lot of sick days that I wasn't supposed to take, so that I could sleep." (Ms. L, Singer and Bass Player, November, 2007)

"I think the whole business acumen is lacking, in terms of well-thought-out plans geared towards selling product. It is not just about getting played on the radio station so that you can get props, people hear your song so they think you're getting paid, but it doesn't work that way. It is finding a way to time your album, time your recording schedule with the ultimate goal being to sell albums or to sell tickets to people to see you play, and to make money off of it. If you say you're making music just for the sake of it, that is fine too, but it is called the music business. I think that people need a way to plan better and that if more artists would think strategically about these things they would be more successful in the long run." (Mrs. A, Urban Music Insider, March, 2008)

In all, the research for this report depicts the working lives of musicians in Toronto as highly uncertain and precarious, with low incomes and high degrees of economic, social and physical risk. It is important for any city-region interested in attracting, supporting and retaining musical talent to understand these employment conditions and strategically address them in their policies.

Different Work Experiences = Different Residential Preferences

It is not surprising, therefore, that when it comes to locational choices, musicians, who exhibit different employment and demographic characteristics, report a different set of residential preferences than other strands of talent. For example, members of Florida's 'creative class' are purported to gravitate toward places with abundant high-quality amenities, vibrant entertainment and nightlife experiences, openness, diversity, tolerance and above all else opportunity to validate their identities as creative people (Florida, 2002). Florida explains that this group of talented individuals shares a common creative ethos, but with annual incomes of \$65,000 in Canada (2006) the creative class also shares much higher incomes than musicians who earned less than \$20,000 per year. So while

the musicians interviewed for this study reported an affinity for many of the same lifestyle amenities that attract the creative class, with limited incomes and precarious working conditions, musicians make their residential choices based on a different set of criteria. In particular musicians in Toronto demonstrated an affinity for affordable, accessible and artist-friendly spaces over the neighborhoods attracting other strands of talent that are often expensive and restrictive to live in. Traditional artist havens in Toronto such as Queen West are now reported to be too expensive to provide enough space for working musicians. Although locations with cheaper rents exist in relative proximity to the downtown core, independent musicians, who are becoming more professional and less bohemian commented that factors such as grit, violence and crowded artistic communities that were once regarded as stimulating and attractive are now to be avoided if possible. These musicians, for example, live outside of Toronto's traditional artist enclaves:

"It is not too important, even though we play the Queen St. district the most, I don't think it is too crucial to live right there, because with the TTC you can get anywhere in Toronto for \$2.75. As long as the area is safe that is more important than proximity. I would rather live in a safer or nicer area than right where the scene is if it's really run down or dangerous." (Mr. A, Drummer, March 2007)

"Proximity is great, but it has to be economically feasible for you to be able to afford that proximity." (Mr. J, Oboe Player, April, 2008)

Furthermore, while the local buzz and excitement of Toronto's downtown core was regarded as attractive for younger musicians coming to the city from smaller centers. Several respondents discussed the limits to local buzz including the intense competition for work in Toronto's downtown core, the high cost of living and the lack of tolerance and openness in some established music scenes. In Toronto's music scenes, examples of discrimination and exclusion scuttle the potential benefits of 'low barriers to entry'. Instead of being tolerant and welcoming to incoming musical talent, the scenes and embedded networks can be weary of outsiders and difficult to penetrate. In contrast to the assumption that migrating musicians can simply show up at certain venues to meet people, form collaborative groups and begin participating in the scenes, my research indicates that is not always the case:

"Toronto is not very open, it is very cliquey....I was at a heavy metal gig, this guy that I have known for about 10 years is the singer in this really cool heavy metal band. I went to their show, dressed like the way I dress, I didn't dress for the scene, I was wearing my sandals and a hat not a Slayer shirt and a leather jacket...I am sitting on the couch with my girlfriend having a beer, I finished talking to my buddy and this guy walks up to me and says 'who the *@\$# are you?'. 'Why are you here, who the *@\$# do you know?'" (Mr. J, Drummer and Guitarist, June, 2007)

“It is a little clique and if they don’t like you or the band you’re in, you won’t be able to get any gigs, or if you don’t hang around at the bars that they hang around at. The networks can be exclusionary just like high school.” (Ms. D, Drummer, June, 2007)

These changing values have increased the attractiveness of the inner and outer suburbs of Toronto. As they provide good access to the downtown core and importantly, affordable space, which is flexible enough to house equipment, and allow for rehearsals and noise making activities during more hours of the day. Many of these locations also have less saturated live performance markets, which allow musicians in North York, and the GTA, to secure higher paying ‘gigs’ more frequently.

“If I had the choice between living right in the middle of the music scene in Toronto, say on Queen St. I would rather live where I do (in North York)...I am a quiet guy, I like the peace and quiet of uptown. If I want to go do something I can be there in 20 minutes but I have the space and quiet that I need to create where I live now.” (Mr. M, Drummer, April, 2007)

“It is not important to live on Queen St. Toronto is so easily accessible if you have a car or the subway it is like 20 minutes. You can live in suburbia or the outer parts of the city, because downtown Toronto is pretty dirty, there are too many bums and crack-heads. The rent is ridiculous, and it is more quiet outside of the city.” (Mr. B, Guitarist, May, 2007)

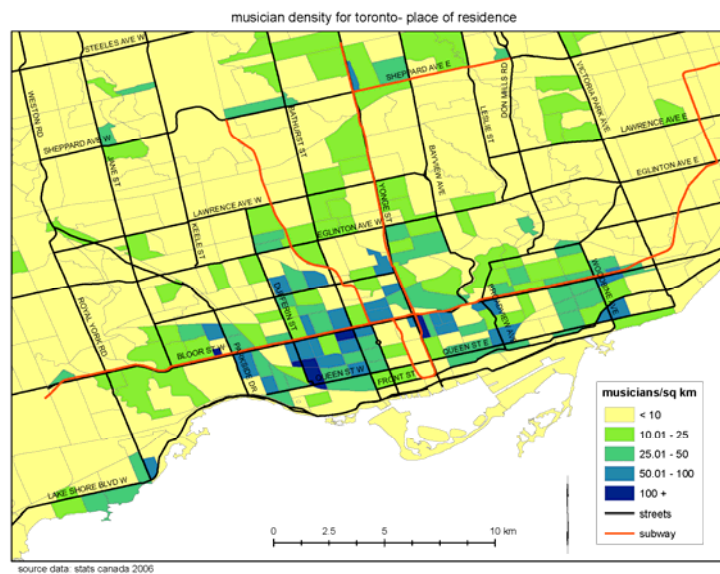
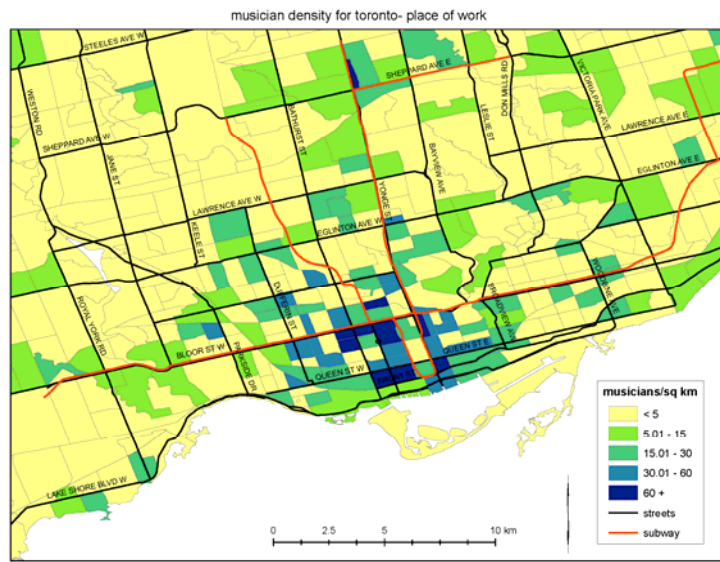
The maps below help to illustrate this trend by showing that musicians do not live in the same parts of Toronto that they work in and that in fact, more musicians live in the cheaper neighborhoods in the West, East and North ends of the city than in the downtown core.

By extension, smaller cities within weekly commuting range of Toronto, including, Peterborough, Newmarket, Guelph and Picton have been repeatedly mentioned as great places to live and work by musicians. In particular, these locations are said to offer more affordable and flexible spaces, more attractive natural environments and more favorable market conditions than the crowded urban core of Toronto. Crucially, these spaces also allow musicians to retain access to the core for performance and networking purposes.

The ability to live and create in peripheral areas while requiring access to large urban markets to make money serves to further differentiate musicians from other artists. Some visual artists such as painters and photographers, for example, can conduct almost every aspect of their careers in more desirable and stimulating peripheral locations, but even with the changing market conditions

musicians still need, at the very least, occasional access to large city-regions to perform. As this musician put it:

“The music scenes in the slightly less populated areas, north of the city are getting to be really good...In the Northern areas the kids have less to do, there are fewer entertainment options for them, in Toronto there are one million things to do, so if there is a live band, those kids are gonna go, so you can sell tickets easier. The highest turnouts to any of our shows have all been in Newmarket and Keswick.” (Mr. G, Drummer, February, 2006).



Put simply, as the employment risks have been intensified and individualized, musicians have become much more strategic and calculating about their

residential choices. Beyond traditional notions of bohemian lifestyles, professionalized independent musicians carefully consider a wide range of factors including the cost of living, access to markets, employment opportunities, flexibility of the physical spaces, supportive nature of the scene and the hard and soft infrastructures provided by local community. Musicians, therefore, endeavor to strike the optimum balance between being in the core and being in a more affordable and spacious area where they can have the space and freedom to create. These choices are based on the unique and dynamic situation of each individual musician and therefore, the preferences reflect their experiences, values and life-cycle attributes.

Implications for Policy

The findings presented above point out the ways in which musical talent can contribute to the economic and social prosperity of city-regions. To reiterate, music and musicians in Ontario generate direct financial impacts from the sale of recorded music, tickets to musical performances and musical instruments, but there are also indirect benefits that are more difficult to measure. Beyond these established goods and services music and musicians add value to a range of new and existing products such as clothing lines, ringtones and video games. Moreover, scholars note that musical talent and the music scenes they create are important quality of life amenities, which help city-regions attract other strands of talent. The findings also demonstrate that the changing nature of employment for independent musicians is altering the way they work and where they choose to live. In particular, the working lives of musicians can be characterized as precarious and for some this has resulted the need to relocate from Toronto's downtown core to the suburbs and smaller communities in the periphery. So what can city-regions do to attract, incubate and retain musical talent while supporting their growth and harnessing their benefits?

Size Matters

The answer to this question is predicated on the size of the city-region and its economic base. Any strategy developed for Toronto will be different from those developed for Peterborough or Picton, but the important thing to remember is that the competition to attract and retain musical talent is not a race-to-the-bottom proposition. On the contrary, each city-region can support a threshold of musical talent depending on its size and infrastructure, which means that in the short term Toronto may benefit from losing some of its musicians to the developing music markets in Ontario. The danger of course is that dissatisfied musicians in Toronto pack up and relocate to Los Angeles or New York. The strategy for Ontario, therefore, should be to establish an integrated system that attracts musical talent from outside regions, incubates that talent and then redistributes the talent, within the system. Thus maximizing the development of

the individual musicians themselves and by extension, the benefits they can generate for the local economies of Ontario.

Emphasize Your Strengths

If such an integrated system of music related economic activity could be established, local jurisdictional advantages³ can be emphasized and the existing hierarchy of markets can be promoted together. While Toronto should focus its attention on competing with other global centers of musical and cultural production, places such as Peterborough and Picton should build on their existing supportive infrastructures and promote their attractive qualities to accommodate the musical talent currently spilling-over from Toronto. If Toronto is the talent magnet, therefore, the city that attracts musicians from all over the world, the surrounding markets in Ontario should position themselves as creative workshops for that talent.

Toronto at the Crossroads

The findings of this research indicate that Toronto excels at attracting musical talent, both internationally and within Canada, but needs to improve its ability to support and retain musicians. Moreover, Toronto's existing pool of musical talent and their innovative capacity is currently underdeveloped and underutilized. The first step to moving forward with success is to assess what Toronto is currently doing well and what the city needs to improve on. According to the research participants Toronto is currently attractive to musicians because it has the largest and most diverse music economy in Canada. In addition Toronto has built an international reputation as a stepping stone market, for developing musical talent not yet ready for Los Angeles or New York. Many musicians are also attracted to Toronto's well-regarded educational institutions such as the Royal Conservatory of Music and the top-flight performance institutions including the Toronto Symphony Orchestra. The diversity of genres, styles and subcultures represented in Toronto and burgeoning reputation as a world leader in indie music and cultural production, such as film and fashion also helps to attract musical talent.

Once this musical talent arrives in Toronto, however, several negative characteristics begin to work against the city. In particular, musicians expressed dissatisfaction with the following aspects of Toronto;

- The high cost of living
- A lack of flexible and artist friendly live/work spaces
- Intense competition within the labour market

³ See Feldman and Martin, 2005 for a more detailed overview of constructing jurisdictional advantage

- The lack of connectivity between music and related cultural industries such as fashion, design and film
- A lack of funding opportunities
- A lack of specialized infrastructures, supports and incubation facilities.
- A general bias in support and celebration for high art institutions over local and organic indie scenes

Perhaps most damaging to Toronto's ability to retain its musical talent is the common complaint among musicians that the city and its citizens do not appreciate the value of musicians and the sacrifices they make in their careers.

"I would move to Seattle...you go up there and everybody loves music, and nobody treats anybody differently because they are a musician or an artist, there is more support there. Whereas in Toronto sometimes I feel like the general public does not appreciate the amount of hard work and dedication it takes to be a musician and the hardships. I mean they look at us like we are bums but they don't understand." (Mr. E, Drummer, April, 2007)

"One thing that has been very interesting to me, is the lack of respect musicians get. You're the top of your field, you're playing in the Toronto Symphony, and people don't appreciate that." (Mr. R, Violinist, June, 2008)

Essentially, musicians do not feel that there is enough supportive infrastructure in Toronto to help them develop and advance their careers and this 'pushes' them toward other centers that do. Having said this, as the rules of the music production game change, Toronto has an opportunity to establish itself by providing supports for independent musicians, which account for 95% of all musicians in Canada. For example, as we might expect in the knowledge economy, the most valuable supports for musicians are no longer hard infrastructures such as recording space or technical equipment, but rather soft supports involving the dissemination of specialized skills and information about how to successfully navigate the reconfigured landscape of the music industry. Knowledge about how to write a grant proposal or a business plan, for example, is critical to succeeding in the world of independent music production and should be the focus of Toronto's strategy to support musicians. In the same way governments help new entrepreneurs develop business plans and share strategies for success, musicians should be considered entrepreneurs or 'firms of one', who can greatly benefit from mentoring and knowledge of best-practice strategies. In fact, the hyper dynamism of the music industry necessitates constant assessment of the landscape to determine what will and will not work and these findings need to be transferred to the labour market to keep individual musicians up-to-date.

More specifically, Toronto should create a 'music incubator' based on the successful model of the Toronto Fashion Incubator established in 1987.⁴ For as this research suggests indie musicians would benefit from many of the same infrastructural as well as knowledge-based resources, such as physical space, access to equipment and mentoring and business development workshops which the Toronto Fashion Incubator provides to indie fashion designers. Moreover, it is crucial that such an incubator for music be explicitly linked to the fashion incubator and other cultural sectors including film and design to encourage collaborative linkages and knowledge spillovers which have the potential to generate new ideas, products and markets in Ontario.

A further way Toronto can improve its capacity to incubate musical talent is by changing its system of evaluating grant proposals and funding musical talent. Findings from interviews with indie musicians, classically trained musicians, hip-hop musicians and key informants regarding this issue revealed the antiquated and exclusionary nature of the current system. Although money does exist to help musicians' tour and record albums, the criteria to obtain this funding is based on the number of albums you have already produced and tours you have conducted. As the majority of musicians are now independently responsible for the costs of these endeavors, for fledgling musical talent, building up a strong portfolio is almost impossible. Under this system, therefore, the bulk of the grants and funding is awarded to established Canadian talent like 'The Tragically Hip' or 'Blue Rodeo', who arguably do not need \$10,000 to help them record an album or book a tour. As this musician explains:

"It is really tough to get one of the factor grants, if you are starting out, they will give money to the 'Hip' who clearly don't need it because they are established. They will give money to bands that are already making money but then there are the little guys who just never get enough going for them to get the grant money."
(Mr. J, Multi-Instrument Musician, May, 2007)

To help develop fledgling musical talent the city of Toronto should reform its granting policies to give out smaller sums of money to a wider range of applicants and update the criteria being used to evaluate grant applications to reflect the rise of indie production and the difficulties musicians face getting their careers started.

Finally, as this report has elucidated that musical talent requires affordable and flexible live/work spaces to effectively produce music and advance their careers, Toronto's urban managers should seek to understand and plan for the specific needs of the city's musicians. Taking their cues from other cities that have

⁴ The Toronto Fashion Incubator (TFI) is an innovative, non-profit, small business centre dedicated to supporting and nurturing new fashion entrepreneurs. It does this by allowing fashion start-ups to learn the business of fashion through strategic programs and business consulting, mentoring, educational sector-specific seminars, export development webcasts, sales clinics, shared work space, in-house design studios, exclusive promotional and sales opportunities, valuable sales and marketing resources and leads, and volunteer programs.

developed and implemented successful initiatives, Toronto should take action to ensure the city's existing artist habitats are safe from rising rents and redevelopment pressure. Moreover, Toronto should plan and build new artist friendly spaces for living, working and interacting to inclusively help foster and sustain fledgling musical talent from all corners of the city and surrounding regions. As this musician points out:

“If you were to pour some money into certain neighborhoods, like between Bloor and Dundas, to put a recording studio in and pay somebody like me to go in and teach kids how to use it, the kids would be doing better stuff than I could even dream of as soon as they got their hands on it. The ability is there, the desire is there but the means aren't there. So if you were to provide a studio in a modest community and the guidance to use it, the difference you would make in the community would be exponential and the art and music which would come out of it would be fascinating and valuable and would make a meaningful contribution to the city and the province and to the world as artistic production. I don't think on the other hand the governments' decision to support a band like 'The Tragically Hip', an established band, is a good use of money. My understanding of the governments' role on this front is to support indigenous Canadian culture so from my urban perspective I would like the government to put money into cities instead of bands, to provide funding for concerts and access to equipment and instruments, for small community initiatives.” (Mr. L, Guitarist and Singer, May 2007)

Big Opportunities for Smaller Cities

In an integrated system of music economies within Ontario, the goal of smaller cities should not be to compete head-to-head with Toronto in vain, but rather to enhance and emphasize their unique jurisdictional advantages. More specifically, to become supportive, affordable and accessible alternatives for musical talent no longer satisfied with Toronto's residential options and employment conditions. A place like Peterborough, for example, which has long been a regional hub for musicians and live performance, should simply spread the word. For by marketing itself as a friendly, music loving community, which provides ample affordable live/space, diverse performance venues, a built in market of local residents and university and college students and proximity to Toronto, Peterborough can build on its existing music related assets. Similarly with a targeted initiative, a town like Picton in Prince Edward County, has the opportunity to add musicians to the growing list of individuals relocating there from Toronto, which already includes retirees, urban professionals and other artists. Indeed Prince Edward County is poised to expand its cultural sector because of its existing infrastructure and quality of life amenities. Namely, its excellent performance venues such as the Regent Theatre, cultural festivals including an annual jazz festival, proximity to Toronto and developing ICT infrastructure can accommodate the needs of working musicians.

Instead of a race-to-the-bottom, an integrated system is a winning proposition for all parties involved. Given the current competition in Toronto losing some musicians, in the short term, while further supports are being put in place, will actually improve the conditions for working musicians. Moreover, if Ontario can redirect the musicians leaving Toronto to other emerging music economies within the system, the Province retains its hard won musical talent and can further develop and benefit from multiple and interconnected music economies.

Opening Ontario

The meta message, therefore, is that developing an integrated system of music economies within Ontario, with each enhancing and emphasizing its jurisdictional advantage, will help to attract, incubate and retain musical talent. Furthermore, Ontario must create a culture of appreciation for music and musicians, not based solely on the cultural and creative contributions they make, but also the economic benefits they generate and the ways in which they enhance the overall attractiveness of places. Finally, once governments, industry and citizens alike understand the potential of musical talent and robust music economies, the goal should be to fully realize that potential. Although more research is needed to develop specific strategies, in the broad sense this can be done by encouraging collaborative linkages between music and other cultural sectors, connecting the related segments of Ontario's economy, to facilitate more knowledge spillovers, and supporting firms attempting to commercialize on the new ideas and products generated by these synergies.

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