



CARFAC

CANADIAN ARTISTS' REPRESENTATION
LE FRONT DES ARTISTES CANADIENS

CARFAC's submission on reforming Canada's Employment Insurance program

About CARFAC

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

EI reform is necessary for the sustainability of the Canadian economy

Canada's social safety net has always had significant gaps, made all the more apparent during the COVID-19 pandemic. However, what the last two years have shown us is that it is possible for traditional EI programs to be more responsive to the needs of self-employed and gig workers, or that new ones can be created that respond better to the challenges that many Canadians have in accessing employment insurance benefits when they need it most.

Our current EI system seems to have been created with the idea that we all have a single income source, and you either have it or you don't. However, most independent artists and cultural workers have multiple and often unpredictable sources of income, some of which can disappear without warning overnight. Artists who received CERB and/or CRB have reported that this income provided much needed financial stability, without which survival would have been very difficult. We are confident that financially stable artists are better positioned to contribute to our country's domestic economy, and they help make Canada more competitive through our global contributions and cultural exports.

A Guaranteed Basic Income program for all citizens would improve economic conditions for the country's most vulnerable, and it would stimulate growth by ensuring Canadians are meaningfully engaged in the economy in ways that capitalize on their skill sets and capacities. It would significantly improve conditions for Canadian artists given that they are often amongst the country's most vulnerable workers, and many fell through the cracks long before the pandemic. It would go a long way towards destigmatizing government assistance, and it would

● ● CARFAC
● 2 Daly Ave, Suite #250 | 2, avenue Daly, bureau 250
Ottawa, Ontario K1N 6E2

Tel | Tél: 613 233 6161 Fax | Téléc: 613 233 6162 E-mail | Courriel: director@carfac.ca

provide more incentives to work if recipients are not at risk of being automatically cut off any time a small amount of money is earned. With that said, we fully support proposals for the implementation of a Guaranteed Basic Income program for all Canadian citizens, permanent residents, and refugees.

Meanwhile, we also believe that CERB and CRB have set a useful precedent for EI reform, which could benefit self-employed and gig workers, including artists, in the long-term. What we are recommending should not be specific to the arts sector, but we can only provide advice about our own industry, as representatives from other industries are better placed to provide details on what may work best for them, and to confirm if it even applies to them.

A snapshot of Visual Artists' labour conditions in Canada

Primarily self-employed, visual artists derive income through various revenue streams. It is extremely rare for a single source of revenue to provide enough income to live on. It is a common practice for artists to occupy several roles, including but not limited to: artistic creation, sales, instruction, mentorship, consultancy, speaking, curation, writing, and working for art institutions and organizations.

This leads to a mixture of royalties and fees paid, sales, and wages from additional part-time jobs, such as teaching in universities or working for galleries. Many artists and cultural workers supplement their art incomes with labour in other sectors, which often involves low-paid and/or precarious gig-work. For many artists, decent earnings one year will support them through low-earning years.

- According to 2016 Census data, there are **726,600 cultural workers**, representing 4% of the overall labour force. This includes over **158,000 artists living and working in Canada**, representing more workers than in automotive manufacturing and utilities.
- The **median income of Canadian visual artists is \$20,000**, which is 54% lower than the median income of all workers. **66% of Canadian visual artists are self-employed**, compared to only 12% of all Canadian workers.
- As most artists are self-employed, they do not have an employer paying into the social benefits generally enjoyed by other Canadian workers, including paid **sick leave, vacations, or holidays; medical, dental, and life insurance; or pension plans**. While they can enroll in some social benefit programs, most cannot afford to do so.
- Of the 21,100 visual artists in Canada, 16% of visual artists are Indigenous, Black, or racialized. **Indigenous, Black, and racialized artists are underrepresented within Canadian cultural institutions** both as presenting artists, and within executive management positions and boards.
- The 2016 Census revealed that Indigenous, Black, and other racialized artists earn

significantly less income than their non-Indigenous/non-racialized counterparts. **Indigenous, and Black and racialized artists earn a median income of 68 cents and 72 cents, respectively, for every \$1 for non-Indigenous/non-Black/non-racialized artists.**

A social safety net for self-employed artists and gig workers

A modernized EI program that takes into account these unique labour circumstances is critical not only for the wellbeing of Canada's artists, but for the sustainability and growth of the sector overall. It must be understood that not all artists may need this kind of support, and it is designed to help people when and if they need it. For some, that need may be seasonal or when they have a bad sales year, for example. Without it, we are at great risk of losing artists to other sectors, and without individual artists our most celebrated cultural institutions, festivals, and organizations would cease to exist. As such, a new EI program should:

- Insure income, not employment
- Be accessible to freelance and gig workers, and workers with mixed-employment
- Be available to those demonstrating a modest level of prior income (i.e. \$5,000 in the previous year), and be available without prior individual contribution to the program
- Act as an effective safety net by providing unemployed, underemployed, and precariously employed workers with income support of \$2,000/month. Payment amounts should not increase nor decrease based on the level of the EI recipient's prior income; this practice perpetuates multiple inequalities experienced by the most vulnerable
- Include a tax deduction of 10% at source, to avoid confusion about whether or not it is taxable income, and with the understanding that individuals may be required to pay more (or less), depending on their personal situation
- Encourage recipients to develop and earn employment or self-employment income by allowing for reasonable monthly earnings (i.e \$1000) before reducing EI payments

Modernizing the Employment Insurance program is an essential step in acknowledging and addressing the income precarity disproportionately experienced by artists and cultural workers. Most self-employed and contract-based workers in the arts sector cannot afford to pay into the current EI model.

As workers in other sectors return to their jobs, the income potential of artists and gig workers remain highly unstable, particularly as the arts and tourism sectors are expected to take the longest to recover from the impacts of COVID-19. It is estimated that full recovery may not happen until 2028, if ever. Without a modernized support program that acknowledges the realities of labour in the arts and culture sector, many will be pushed to social assistance, and further into poverty, which decreases their chances for positive economic, social, and health

outcomes, and is ultimately more expensive in the long-term (i.e., increased public health care costs associated with poverty).

A modernized program that ensures income, and not employment will also address equity, access, diversity, and inclusion in the arts sector, specifically for Canadians who are low-income, and those emerging from intergenerational poverty.

CARFAC offers its full collaboration in the federal government's effort to modernize EI in ways that make the program relevant to the realities of artists, and to the increasing number of gig-workers, and self-employed workers. Our association is available to participate in, and contribute to, virtual roundtables to provide additional information and insight.

For more information, contact:

April Britski,
National Executive Director, CARFAC
director@carfac.ca