

# **Pivots to Pirouettes: A Path for Regeneration and Recovery in Arts and Tourism**

(Opening Plenary speech for *Niagara Economic Summit: Shaping a Better Future*, November 1, 2023)

Good morning, Bonjour, Aanii:

My name is Tim Jennings and for the past eight years, alongside my partner Artistic Director, Tim Carroll – or TC as he prefers – it has been my honour to lead the Shaw Festival and to serve as its Executive Director and CEO.

My speech today is entitled *Pivots to Pirouettes: A Path for Regeneration and Recovery in Arts and Tourism*. It is maybe more of a case study in process. One path. Our path toward recovery and growth.

The title is an homage to an inspiring comment by our amazing Associate Artistic Director Kimberley Rampersad, an acclaimed choreographer, director and performer, whose work you may have seen this summer –she directed *The Amen Corner* for us this summer and *King Lear* at Stratford – and who commented to TC and I in mid-2020 that The Shaw’s constant optimistic pivoting had evolved and transformed from an exhausted and overused term to become pirouettes; beautiful, in constant motion, with a sense of balance, but also in constant precarity.

I looked up the term pirouette, and this portion resonated particularly:

*“To maintain your balance when you spin, it’s vital that you “spot,” which is the practice of choosing a forward point to look at while you turn, only taking your eyes off of the spot to snap your head back around. Spotting helps keep your head and eyes oriented, which stops you from getting dizzy or looking unpolished while you twirl. When spotting, make sure your head completes a turn before your body does — not only will this also help you avoid dizziness, it will also give you a little extra momentum.”*

I could not think of a better way to describe our last three years, or a better provocation for how we might all move forward.

It is my hope today, by offering examples of both our, and our Niagara community’s optimistic and front footed approach to recovery, we might offer some of that hope and insight to others working through their own regeneration and growth in the days ahead.

As to us, The Shaw Festival was established in 1962 by Canadian and American theatre lovers who had cottages or second homes in the area.

Like the Stratford Festival, which was founded a few years before us, the group built this Festival on what was, back then, a newly established charitable theatre model that had seen some success in the U.S.

It relied on an idea – that Art and Theatre, like other charitable endeavors, exist to serve basic human needs – and that some theatres should focus in on those kinds of ideas and provocations, as well as entertainment.

They hoped a company dedicated to the works of George Bernard Shaw – one of the most prolific writers, activists and political and societal thinkers of the last century – and that of his provocative contemporaries, would offer a different kind of enticement to the area and a different style of theatre art than they were seeing around them.

When the Festival was established in 1962, the Town and Council were, unlike their Stratford counterparts, not as in favour of a theatre festival in their community – especially not one dedicated to an outspoken socialist like G. B. Shaw ... even if he did help found the London School of Economics.

Local reports from the '60s often referred to the bohemian nature of the organizers and unsavory nature of artists ... and these comments were supported by constant calls for shuttering the theatre, citing the painful changes to Niagara caused by ... tourism.

But despite difficult beginnings, The Shaw and its dedicated team of supporters and staff managed to grow and thrive on the excellence of its art, and it became famous for the work it was creating.

In June of 1973, 50 years ago this summer, Queen Elizabeth II and the Duke of Edinburgh, alongside Prime Minister Pierre Trudeau, and dignitaries including Indian Prime Minister Indira Gandhi, Premier Bill Davis, Governor Nelson Rockefeller of New York and many others, arrived to open our newly built, Ron Thom-designed, Festival Theatre. What a remarkable achievement for a company that, up until then, ran mostly on summer weekends to audiences of only about 250 people a night.

The most eloquent and resonant tribute of that night came from the Toronto Star: *"Beautifully proportioned and superbly detailed, the new Shaw Festival Theatre gives its lucky audiences room to admire, room to wander, and, most important, room to think. It is an environment which leaves a dimension for the intellect, for words, ideas, and reflection."*

With constant, glowing reviews of both the theatre and the art of its ensemble, The Shaw's place in the cultural ecosystem of both Canada and the US was solidified – and through the tenures of great artistic and administrative leaders like Paxton Whitehead, Tom Burroughs, Christopher Newton, Colleen Blake, Jackie Maxwell, and a host of others – even relative newcomers like Tim Carroll and myself – The Shaw has continued to grow and expand, financially, artistically and as a place for words, ideas and reflection.

We are now the Greater Niagara Region's largest cultural charity, and one of its 20 largest employers, with a full-time workforce of 600+ artists and arts professionals. We are a proud union employer, with

seven collective bargaining agreements (CBA) covering five separate unions worth of highly skilled workers in every area of the enterprise, all working alongside our equally skilled non-union teams, and I am proud to say, are a Niagara living wage employer.

Each year we welcome almost 325,000 attendees to our theatre.

In 2023, we will have produced over 900 performances of 18 separate productions and concert series – with 14 of those running concurrently in daily rotating repertory – meaning each theatre runs as many as three different shows every day and each actor is performing in two or more plays and/or concerts that often also includes understudying several more.

These productions occur on three indoor and two outdoor stages, six days a week. They began in February, ramping up to full capacity April to mid-October and resume with two holiday shows – *Brigadoon* and *A Christmas Carol* – in November and December – and beginning next Sunday, the 5<sup>th</sup>. I hope you will come to see them.

Beyond the performances, we will offer almost 4,000 additional audience engagement and community outreach activities, events and classes.

We are supported in this work by our Shaw Guild, an organization of 350 local volunteers who help us in everything from gardening and greeting to ticket taking and backstage tours; and by our four volunteer boards of directors.

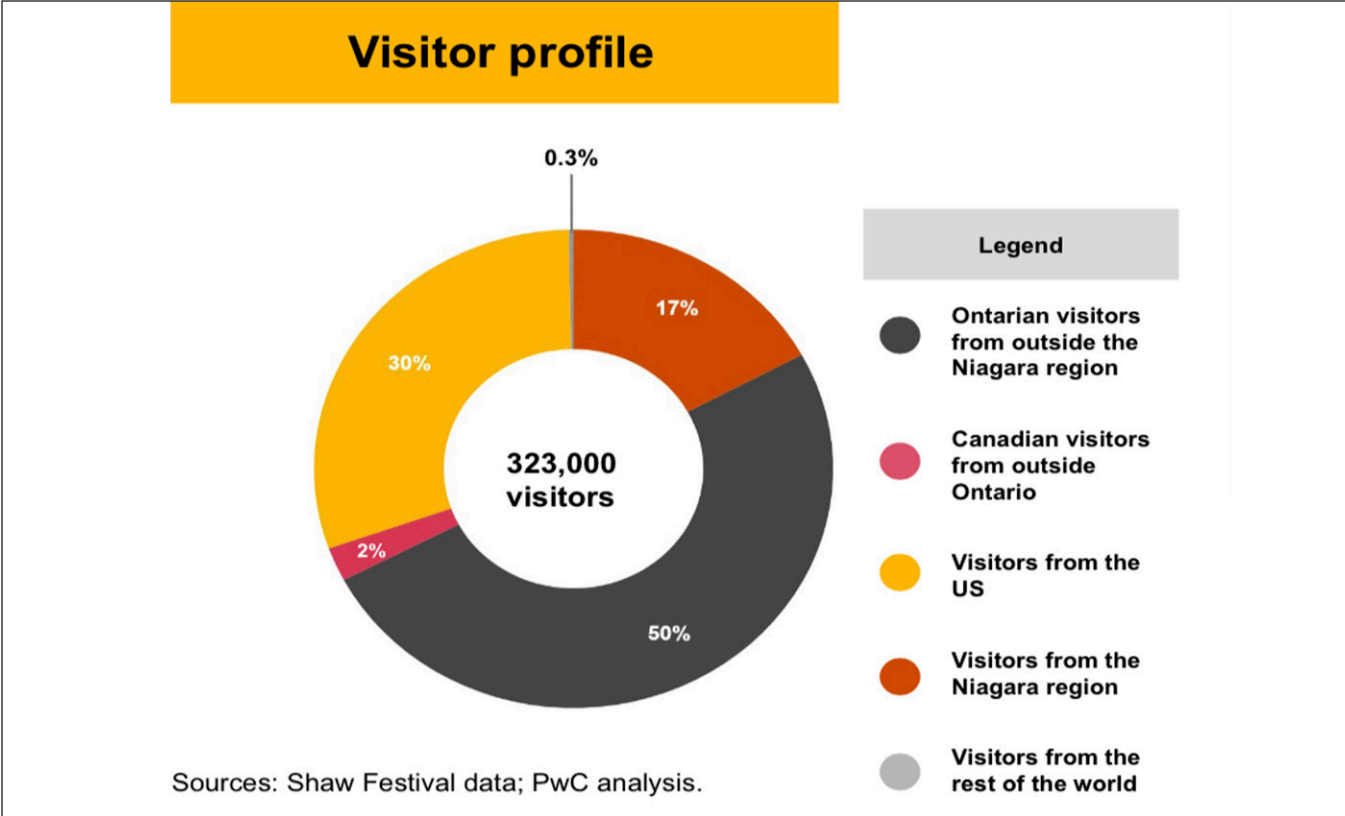
Shaw patrons come and stay in the area for long periods, often anchoring extended annual vacations around a multi-performance theatre experience. The average Canadian household buys six tickets. The average U.S., or international household, buys 8-10. With only 15-17% of those attendees coming from the Greater Niagara Region or Hamilton corridor, we are the epitome of a cultural tourism destination.

Last year, 2022, saw the highest gross revenue year in our history, with income of over \$36.5 million. As we receive only around 5% of our normal operating budget from all government sources, including provincial and federal arts councils, we must raise over \$12 million in annual charitable donations from individual philanthropic supporters simply to break even. Fortunately, more than 14,000 households choose to support us philanthropically each year, from both the U.S. and Canada.

U.S. patrons account for between 30-35% of our normal attendance, and while much of that is border state driven, with tens of thousands of attendees coming annually from centers like Cleveland, Buffalo, Detroit, Pittsburgh, and Rochester. Chicago, Manhattan and Florida are also major markets. Added to that, we have over 1,000 attendees coming every year from each of nine more distant markets including Southern California (San Diego/ LA Jolla), Connecticut, Texas (Houston, Dallas, Austin), Illinois

(rural), Minnesota (MSP), New Jersey, Virginia, Massachusetts and Maryland. We also get approximately 3,000 international attendees each year. They all anchor long stays in the Region around their Shaw experience. In fact, **92% of our visitors specifically cite the Festival as their primary reason for visiting Niagara.**

The rest of our attendees arrive from across literally every district of Ontario and beyond.

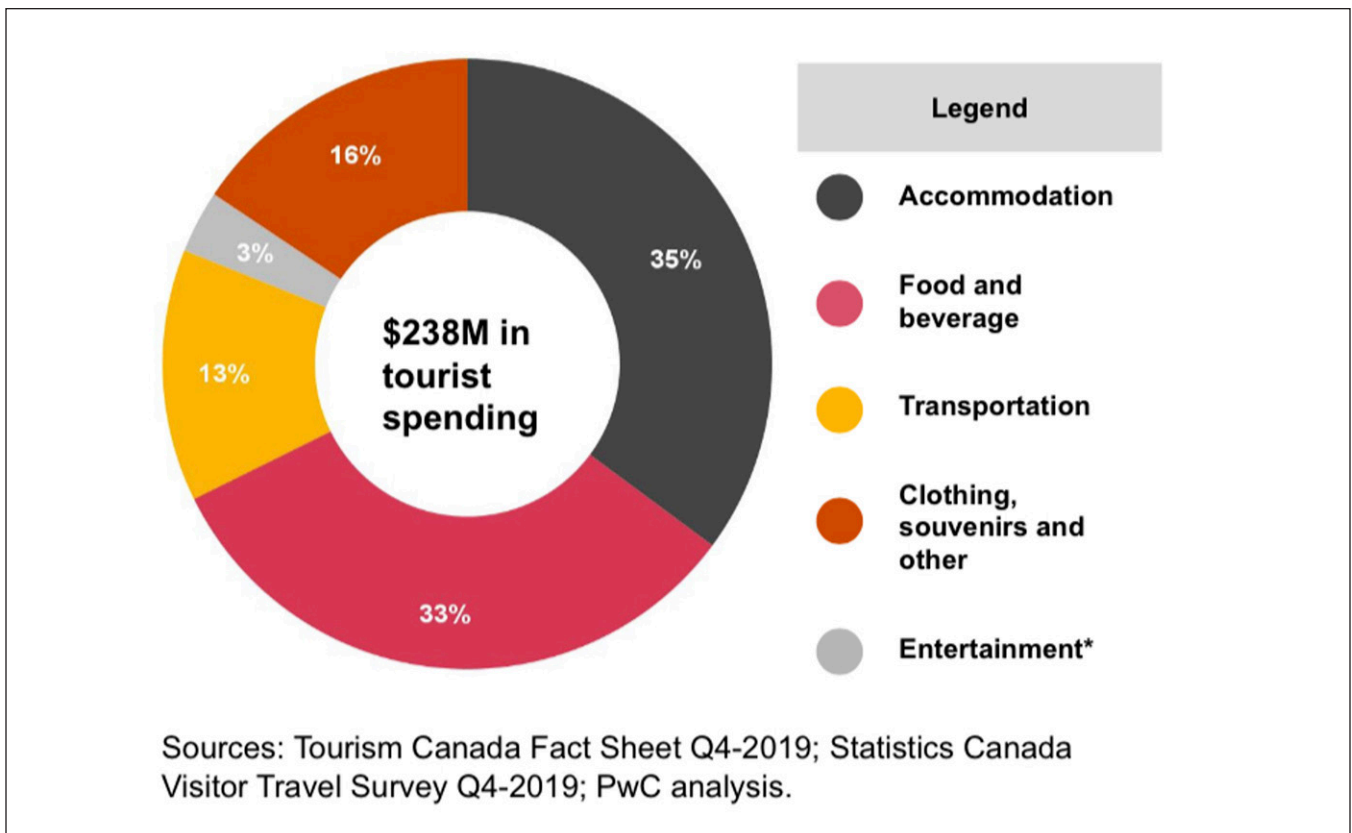


Because of this unusually long visitor stay culture, and the variety of available activities that surround us, The Shaw has grown to become the largest generator of economic impact of any independent arts and culture charity in Ontario, and one of the largest in North America.

The economic impact of the Shaw Festival on the Region of Niagara – pre-pandemic and will hopefully become again – was, according to a recent PwC Canada study on The Shaw’s economic impact to the province that was released last month, in excess of \$237.8 million/annum and the single largest factor in Niagara’s arts and culture economy.

This includes over \$85 million in hotels and accommodations, \$77 million in restaurant, bar and grocery spend, \$37 million in retail and local attractions and \$31 million in travel, including rail, air and ground.

This results in total GDP, or value added, of almost \$200 million/annum.



## The Shaw Festival is calculated to provide a recurring economic footprint of \$198.4M in Ontario

As the Festival is a recurring event, the economic footprint arising from its operations and the visitors it attracts every year are also recurring. In total, the recurring value added was calculated to be \$198.4M. Below we provide additional information on its recurring economic footprint.



PwC Canada also tells us more than 2,100 Niagara area jobs in tourism and hospitality, beyond our own 600+ employees, are reliant on us for their existence and stability, and we know, synergistically, that we are reliant on them for their gold standard services and amazing wine, food and activity offerings.

We know this because we are able to talk to our patrons and directly track what they tell us about what they do and where they go. We also talk to our community partners and are able to add that data into our analysis to create a very clear picture of every one of the tens of thousands of households we interact with every year.

So – likely enough background about the Shaw

Let's now broaden our view of Ontario's live performance industry.

According to Statistics Canada, the Live Performing Arts industry in Ontario (pre-pandemic) generates over **\$2.5 billion in direct annual income**, and **leverages more than \$12 billion in additional economic impact**, (*mostly in related activities and retail*). Over 60,000 Ontarians work in our live arts industry – the equivalent of a mid-sized town.

At a combined \$14.5 billion, that impact is normally in parallel with the utilities industry at \$14.6 billion, and exceeds the agriculture, forestry, fishing and hunting industries combined at \$7.4 billion, or mining, quarrying, and oil and gas extraction at \$6.9 billion.

Unusually our sector is one that is primarily driven by smaller charities and non-profits – being the vast majority of Ontario's theatre and live performing arts organizations. In fact, almost all of Canada's theatres are small businesses.

For theatres in rural Ontario, this impact is primarily seen through tourism and hospitality, with the largest drivers of this being The Shaw, the Stratford Festival, and Drayton Entertainment, but there are dozens of others anchoring their own communities like the Blythe Festival, Thousand Islands Playhouse, Theatre Orangeville, Magnus Theatre in Thunder Bay and so many more.

More than 55% of Ontarians attend a play or musical every year (*Ontario Arts Engagement Study*, Ontario Arts Council), with live performing arts attendance – plays, concerts, dance events, music festivals – outstripping in-person attendance at live sports events, according to the Ontario Ministry of Culture and Canadian Heritage.

We also know from Destination Canada, the Ontario Arts Council and various U.S. sources (*Americans for the Arts, etc.*), that the average arts or cultural tourist spends twice what a typical tourist does – for U.S. travelers that is an average of \$2,100 per trip vs a normal tourist spend of \$1,300.

In NOTL, because we are primarily a tourism economy town, with more than 60% of workers involved in tourism and hospitality businesses, we have an almost perfect petri dish in which to examine this model in action, and the results are significant. Approximately 3 million visitors a year come to a town of 18,000, with most of them returning regularly – annually or more often. Additively, the Town has

developed a unique brand based on its beauty, wine culture, historic sites and history and amazing cultural assets ... including theatre.

Now, I imagine if all of our organizations and partners across Ontario worked together to better understand our guests and focus in on their own unique community brands and assets, bolstering business intersections and serving the needs of each community ... How much more could we all achieve across the whole province? Or beyond?

That is the sort of question that we have been asking ourselves at Shaw for the last eight years and that has been burning a hole in me for most of my career. How can our work and art make things better? Over the last three years, we have had the ability to test some of these ideas.

In 2017, Tim Carroll and I began discussing the idea of hiring a few embedded actors as year-round artists. These artists would act or play in our shows, but also do other work in education, fundraising, media development, producing, administration or other areas of personal growth and organizational interest and, in so doing, be able to create a more stable life for themselves and bond more closely to the organization and its purpose.

That likely doesn't sound hard or new to most employers, but stage actors in Canada are all independent contractors and so this idea, of employees with on-stage performance duties, is not a model that existed.

The Canadian Actors Equity Association was, as an association of independent contractors, not even initially sure how we would approach the idea, but we began to try and work out a way forward – slowly.

But when the pandemic began in March of 2020 and – like all theatres in the province – The Shaw was shuttered, we were more fortunate than most organizations in several ways.

Primarily, by the end of 2019, we had seen an increase in both donations and attendance of 30% or more over the previous four seasons, making us the fastest growing large theatre in North America.

Annual income had grown from \$26 million when I arrived in late 2015 to around \$34.1 million, and our seasons had lengthened from 7-to-9 months, now including the holidays. We had also erased a large, accumulated deficit and solved a host of additional, large, related capital deficiencies that had been in place for many years.

Donor confidence, and both earned and contributed revenues, were at an all-time high, and relationships with the Town and business community were excellent.

Equally as important was our pandemic insurance coverage.

During my first weeks on the job in late 2015, Roy Reeves, my CFO and I, underwent a comprehensive insurance review with our broker at Front Row Insurance Brokers, and secured a series of policies designed to reduce the impact of black swan or 'high impact' emergency events, including a specialty performance interruption policy that included pandemic interruption.

Specifically, this policy would cover our net losses and ensure continuation of our payroll – meaning we were not in a position where we needed to immediately contemplate layoffs like – well – almost all of our colleagues.

In fact, because we started rehearsing in February, we continued to rehearse all shows by Zoom throughout all of March and April in hopes of performing. But by mid-May of 2020, seeing no immediate end in sight, we ended the contracts of all 98 of our gig workers and the next day we rehired 96 of them back on under a new summer works program we titled an ECOS – system – short for *Education and Community Outreach Specialists* – which meant we had a model that now allowed these new employees to be partially subsidized by the federal government's wage subsidy programs.

Added to this was the relationship to our community.

Over the preceding few years, Niagara-on-the-Lake and The Shaw had developed a very clear sense of inter-dependence and duty of care to each other. We existed wholistically and had created a much greater sense of engagement. While The Shaw had some protections in place that gave us optimism to weather what we then believed would be a difficult summer, the Town and our fellow tourism partners and businesses had no such insulation.

In fact, our larger question at The Shaw was: "Now what to do with our 600 employees, including this new ECOS team, if we were unable to perform to a live audience?"

For us, the answer to that question was wrapped up in our charitable purpose.

If we could not serve all of those basic human needs normally served by our art, what basic needs could we serve or help others to serve?

And while many theatres focused on creating digital performances, we saw that as counter to the purpose of our live art. If we trained our audiences to see digital offerings as a substitute – even a poor substitute – for live performances, were we not going to create issues for ourselves later as we recovered? And for our tourism ecology?

We knew the biggest challenge to live art and to tourism – then and now – is getting people up off the couch and out of the house.



If we were to incent the concept that staying home and watching video screens was a substitute for live events – wouldn't we regret the ramifications later? And did digital offerings even begin to serve the same needs? Or were there others we could tackle?

With that last question in mind, we chose to turn the 60 workers in our costume shop toward making thousands of gowns, masks and other PPE for us to donate to local hospitals, hospices and public health units. Sets and props teams began to work on plexiglass barriers and to pioneer distancing tools and to set up home-based broadcast studios for our artists' other initiatives. ECOS team members began to create at distance education activities and offerings for use in the newly created digital classrooms required of local (and not so local) school boards.

We also knew that isolation among the elderly impacted over 30% of Canadian seniors at a cost of as much of **\$14,500 per person** annually to the healthcare system, and that the pandemic was amplifying that number geometrically. What if our arts programs could help reduce isolation and loneliness by even a small percentage?

Our artists pioneered online yoga, exercise, limited mobility gyms and physical and mental health and wellness activities for isolated seniors and others who were feeling shut in or overwhelmed by the pandemic. Trivia, quizzes and other games and fun activities were created and offered to maintain cognitive social functions. Simple outreach phone calls and digital book clubs and play reading groups were started to increase connection.

Throughout 2020, over 100 separate and distinct activities, lessons and interviews were added to our website in an area called "Shaw from Home" and 870 live digital outreach offerings and classes were provided to over 131,000 people.

None of these, however, helped the merchants and businesses in NOTL recover economically. A town of 18,000 people, however engaged, cannot hope to substitute for an annual visitor base of three million, and so many of the main street businesses, hotels, B&Bs, restaurants and wineries – as well as local mayors and politicians – called to tell us they and their constituents were suffering tremendously without us up and running.

With that concern firmly in mind, we turned to the Federal Economic Development agency (FedDev) with a plan. If, as we knew, we could generate \$238 million in economic impact in a normal year - or about \$7-\$10 in the community for every dollar spent with The Shaw – and if we did that without focusing on achieving that result specifically, what could we do if we tried?

What if we offered free outdoor concerts and performances on our grounds or with local wineries and business partners on condition that the attendees would agree to eat at a local restaurant, donate to

a local charity, shop locally or stay at a local hotel? In the summer of 2020, nothing was happening indoors at all, and outdoor activities were very limited, with maximums of 100 people outdoors or, by winter, 50 people indoors.

FedDev agreed it was worth trying and, after 3 months of discussion, agreed to help support the activity financially if The Shaw raised the money needed to offset the remaining costs.

Our pandemic concert series managed to offer 65 live, in person, masked concerts between late August and mid-December of 2020 to around 3,000 people.

Amazingly, the program generated almost \$1 million in local economic impact and local tourism – at an average of more than \$325 per person. Word of mouth about the idea helped increase consumer confidence generally for the area, with other local activity increasing quickly and well ahead of other municipalities in the province.

More local businesses began to try new and innovative approaches to serving their customer base, which resulted in a second FedDev partnership between the agency, our destination marketing organization (DMO) and local retail businesses.

With those clear successes behind us, The Shaw decided to try and plan a full, if reduced, season for 2021 of nine productions and 700 performances. We went on sale in November of 2020, and immediately saw a rush of interest – which was almost as quickly brought to an abrupt end when the Delta variant reared its head in December and shut us down again.

But, primarily through terrific fundraising results, the Canada Emergency Wage Subsidy (CEWS), and our insurance coverage, we had managed to realize \$24 million in revenues for 2020 and had kept every one of our 600 workers fully engaged and employed – and even managed a small surplus. We were optimistic.

By now we knew we had a model that could work and work safely. We would not be able to do the major musical we had planned due to restrictions on indoor theatres, but we could turn those musical theatre artists toward more outdoor concerts and, with time, possibly outdoor plays and other events.

TC and Kimberley began to create dozens of new performance activities and turned to our amazing production and creative teams to rethink our work towards outdoor settings.

Almost as fast as it was requested, the production team designed and ordered equipment to create three outdoor stages in our gardens to complement our three indoor stages. We would start the season outdoors and continue to offer all of the online wellness and other digital connectivity and outreach activities we had pioneered in 2020. If we couldn't do one thing, we would spin toward the other.

We offered contracts to every artist involved in 2020 and created a model with the Canadian Actors Equity Association and United Federation of Musicians to beta-test our idea of longer-term, year-round employment with 10 actors and one musician as 'embedded artists'. This allowed us the continued benefit of the wage subsidy while we pioneered the idea, and it allowed us to attach these artists more deeply to delivering on our charitable purpose at a time when we would need that connection more than ever.

We reworked all of our HVAC systems, safety protocols and distancing frameworks so that once performances were allowed indoors, we would immediately be able to start doing them again, both to incentivize a return of consumer confidence and to offer other theatres a way to attempt these same things. Each time we saw an obstacle, we would spin toward it and through it.

Finally, we opened up a series of discussions among our ensemble and senior staff around ways we could better communicate, internally and externally, around the significant and heightened issues of inclusion and equity around us. While we were trying to help others with their stresses, we were also suffering our own stresses and so we also realized the need for additional mental health and wellness support for our own team and added additional EAP support and access to a wider range of clinical services for everyone at or involved with The Shaw, including any artist who had been on contract in 2019 or that we planned to work with in the future.

It was all exhausting and crazy and – ultimately – deeply satisfying.

In the end, we ended up losing 40% of our '21 season – or 303 performances – to COVID restrictions in 2021, but still managed to perform 455 more of 17 different productions (eight more than originally intended) – which ended up being the largest season of live theatre in North America for 2021. We also tripled our education and outreach work over 2020, offering 2,351 education and outreach events to another 55,000 attendees, both in-person and online, with education and senior wellness activities making up the largest areas of increased output. And we realized \$27 million in revenues, primarily driven by fundraising, and again managed to keep all 600 people on staff without layoffs and post a tiny surplus.

In 2022, our 60th anniversary, continued our growth back toward normal and allowed us a full season of 18 productions – our largest to that point. Again, increasing attendance, keeping the programs started in the pandemic and growing revenues to our highest point ever, again primarily driven by donors, audiences and supported by pandemic support programs.

I could not be prouder of our team and the incredible amount of hard, tedious and amazing work they all did in every corner of every part of our enterprise.

Ok – so now you all know way more about The Shaw and the last three years of our various successes and challenges than you maybe wanted to, and you may be asking yourself – how is any or all of this useful to me?

While it is clear that The Shaw had access to financial resources many other organizations might not have, I would posit that what we did could only have been achieved through optimism. A dogged optimism to take risks that ultimately allowed us to find a way through, to think about the crisis differently and consider challenges others were facing, as well as our own.

Further, we went back to the core impetus that drives, or should drive, every charitable endeavor – what good are we putting into the world?

How are we serving basic human needs first and foremost, including those of our own employees? Because we cannot serve the basic human needs provided through art without supporting artists who create it.

The insurance, often held up as being our saving grace, ultimately provided only about 16% of the \$87 million in total income we achieved over the last three years – nothing to sneeze at, but significantly less than investment from our donors and audiences. In hindsight, I can see ways that we would have been able to maneuver forward without those funds and to still manage most of what we accomplished. Many businesses survived on much less.

But we might not have taken those risks. It gave us optimism! If it had not, I might not be holding up these successes, and therein is my point.

In studying recovery scenarios, it seems that in every major economic or prolonged societal crisis since World War II – Black Monday, 9/11, Sars, and H1N1, the worldwide economic recession of 2008 – the tourism and hospitality sectors, and the arts and culture sectors, show a coherent and consistent pattern. If you program or invest to come out of the crisis in a position of strength, even if that means a year or three of economic hardship, you ultimately return to a normative or stronger position more quickly than those who did not – and your risk of financial jeopardy is no greater than if you did not take that risk.

You will, however, have a much higher opportunity of reward.

Make no mistake – that reward might only mean being back to previous levels in four years rather than five or seven, and maybe it won't be one that you will understand fully until you are looking at it in the rear-view mirror, but it also might mean you are leading the way.

Further, I would suggest that by interlinking with other related businesses and services in your community to help each other rise together, you have better access to data and intelligence provided by the wider group and can both give and access any halo effect that occurs, mitigating risks for all.

We are seeing an excellent return to both our indoor and outdoor events, with our 2023 holiday shows looking like they will return to 2019 norms.

While the summer was still about 20% behind 2019, and single ticket sales are much closer to date of performance than we would have seen pre-pandemic, we can see positive trends thanks to our aggressive restart. We continue to offer many of the education and outreach activities to seniors and students that began with the pandemic to continued and enormous effect and have continued many of the workforce stabilization tactics we started out of necessity.

And we have embedded regular conversations among multiple groups of local businesses and services into our regular work, which allows us to check each other's pulse and understand what might be driving peaks and valleys in our local ecology.

So far, so good.

Not recovered but recovering.

While there is no sure answer to any of this, the optimistic approach to recovery continues to be, in my opinion, the one that has the best chance for you and for our communities.

If we continue to work together to create the kind of virtuous circle that ensures everyone rises together, the stability created bolsters both you and those around you and amplifies your shared values.

No ecosystem can work effectively when any of its parts are failing.

As we move into 2024, I know the year ahead and the year after that will not be easier. They will likely be harder in new and different ways ...

... but The Shaw and our partners across Niagara are moving forward together and leading in many aspects of recovery.

For a lot of us, we are still far from those halcyon days of 2019, but I believe we have a community ready for the challenge and ready to pirouette toward the next set of problems, eyes firmly spotted, on our joint future.

I look forward to hearing from others today on their thoughts and ideas about how we shape a better future for everyone. I know we will all learn and grow from their insights.

Let us know how we can help.

Miigwech. Merci. Thank you!