

Thoughts on the CERB and its impact on Canadian visual artists

Michael Maranda, assistant curator

Wednesday, April 8, 2020

I have been sending the occasional email to my political representatives about the way that the government is responding to the arts community. In particular, I have been bringing some of the insights of the Waging Culture surveys to the table, in the hopes that their response will take into account the real situation of artists, and not merely translate an inaccurate model of traditional employee/employer relations to the gig economy. What follows is the most recent email.

Dear Julie,

There's a lot of opinions and information thrown around these days about the regulations and qualifications of the CERB. It is not surprising, therefore, that not all those opinions are consistent. Since the program was rolled out quickly with no precedent, neither the lack of clarity nor conflicting interpretations are surprising.

The basic requirements as of April 8, 2020, are fairly clear. To qualify, you must:

- Reside in Canada;
- Be at least 15 years old;
- Have stopped working because of COVID-19 and have not voluntarily quit your job, or be eligible for EI regular or sickness benefits;
- Have had income of at least \$5,000 in 2019 or in the 12 months prior to the date of your application; and
- Be or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, expect to have no employment or self-employment income.

The fast rollout, and the fact that there are people getting their first installment today for applications made on Monday, is incredible. Getting this in place so quickly is a huge accomplishment of the civil service, and we are duly impressed. The application itself is simple, done online, and run through basic attestations. No documentation is required at this point (although in the future, your attestations may have to be backed up with documentation).

There are some recurrent confusions around the notion of employment income, however, which we are particularly concerned about.

It is unclear, particularly for artists, as to what qualifies as employment income (copyright fees? royalties? sales?) and whether this income is net or gross. Considering the fact that the typical artist makes no profit from their practice whatsoever, and thus if the employment income considered is gross, the artist is left in a bit of a bind. If relevant income is gross, this will aid an artist in qualifying for the CERB in the first place, but where this will not be so beneficial is with regards to limits of income allowed in subsequent periods.

The typical (median) visual artist in Canada has revenue of about \$7,800 a year. This is their gross practice income, though, not taking into account expenses. If we look at their net income, the typical visual artist makes \$0 income. (see below chart)

The question of when income might be counted is also important. Is art income counted when the work is done, when it is invoiced, or when the invoice is paid? In general, it should be pretty clear that income should be counted when the work is done, not invoiced or paid. That said, in the art field, it is difficult to quantify or qualify when exactly that work is done? When a painting is painted or when it is sold? When it is exhibited and artist fees are paid? This is neither an ontological nor an epistemological question; it is purely, here, transactional. And the answer is both unclear and pragmatic. The economy of the artist is driven primarily through transactions that have all the hallmarks of residual income. That is, artists are paid, after the fact, for work that has already been done. This payment is never assured: they work on spec, with the hopes of continuing relationships that will eventually provides more income in the future. These transactions are not determined by hourly rates, nor is compensation equivalent to simple equations. They also come in unpredictably-timed large sums, not evenly spaced-out over the period of a project. To artificially close down these transactions to comply with CERB criteria, even though they are not necessarily profitable, is to curtail the potential of continuing a trajectory of a practice in the future.

Waging Culture 2017 data

Income and expenses for professional visual artists in Canada (2017 CAD\$)

Revenue	Mean (average)	Median (typical)
Sales	6,466	250
Artist fees (royalties)	3,333	1,500
Grants	6,487	500
Practice income (gross)	16,286	7,800
Expenses	(12,748)	(7,686)
Practice Income (net)	3,538	0
<i>Day jobs and side-gigs</i>		
Art-related income	24,877	12,500
Other income	9,520	120
Total Net Income	37,935	29,000

Herein lies the conundrum. If the CERB qualifications are being adjusted to allow up to 10 hours of work a week in subsequent periods, does this affect the artist's situation? Remember, artists are not paid hourly, they are paid transactionally. (How does an artist account for how many hours are required when getting a fee, or a commission, or a sale in the first place? What is the hidden cost of stopping a practice completely for fear of getting too much in sales or fees, and thus gaining CERB payments, but then losing out on future revenue and opportunities due to having said no to an organisation or individual to qualify for government support? Finally, if expenses are not accounted for in this equation, what does it mean to lose out in CERB benefits for what is essentially a net zero transaction (remember that the typical artist's annual revenue is equivalent to their annual expenses)?

The rest of an artist's revenue comes from alternate employment, i.e., their day jobs. These day jobs and side-gigs are likely the avenues of income that have been most widely impacted by the current economic conditions. Their ability to pay for accommodations, for food, for other essential living expenses is tied to these day jobs. And these are the gigs that are likely most impacted by the current economic conditions.

To put the CERB payments into a larger context, let's look, for a moment, to the support for employees delivered via the Canada Emergency Wage Subsidy. For the CEWS, businesses need only demonstrate a 15% decline of revenues in March to qualify for subsidies per employee of \$847 per week or 75% of the employee's pre-crisis weekly remuneration, whichever is less. For self-employed individuals, to qualify for the \$500 a week from CERB, they have to demonstrate a 50% decline in revenue. In subsequent months, businesses can continue to receive this support if they have a 30% decline in revenues, while to continue to receive full support from the CERB they need to demonstrate a 100% decline in revenues or, assuming the 10 hour/week adjustment comes into play, a 75% decline in revenue to get a portion of that \$500.

We are stating this difference not to say that the CEWS should be reduced. Far from it. It is important to note that what self-employed individuals are getting in support is already substantially less than what is available to companies and their employees. **While it has been great to see the government's response to the pandemic acknowledge the particular challenges of the gig economy, we would like to see the official understanding of the gig economy shift to accurately reflect the reality of participating in such an economy.**

In the art field, in particular, in the support of artists: **What if the CERB were to take into account the realities of visual artist's income streams, and ignore studio-based income completely?**

After all, as evidenced statistically, net income for most artists is minimal. Qualifications to the CERB could be easily limited to the decline in day job income, exempting art income from both qualifications and from subsequent limitations of support. The measures that have been put in place for businesses have been created not only to benefit employees, but to support the economy to be able to more swiftly, resume and rebuild when this crisis is over. This type of exemption would help to ensure that when the COVID-19 crisis ends, artists and by extension Canada's vital arts and cultural sector have been supported at a basic level to allow for a swift rebound.

See also



Remote Control
Instagram takeover
Apr 14, 21, 28, & May 5



AGYU and Covid 19
our current status



Gallery representation an...
Waging Culture 2017
28 Nov 2019



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Waging Culture 2017
23 Nov 2019



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7 Nov 2019



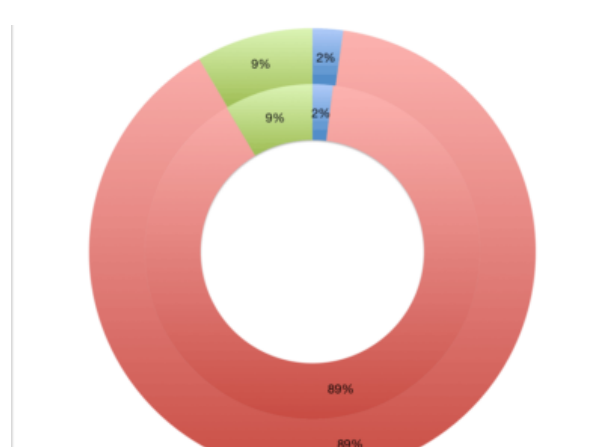
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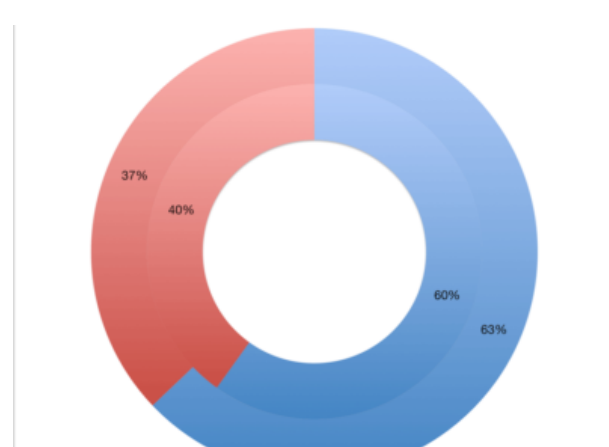
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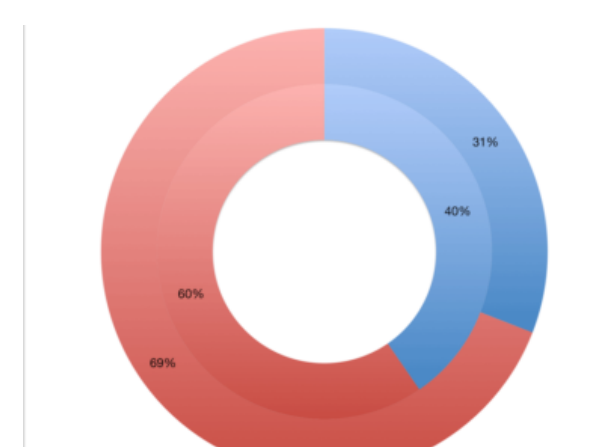
Methodology
Waging Culture 2017
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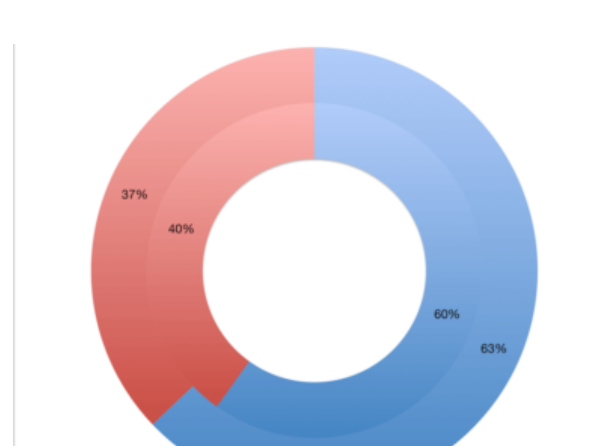
The Ethnicity Effect
Waging Culture 2012
21 Jul 2014



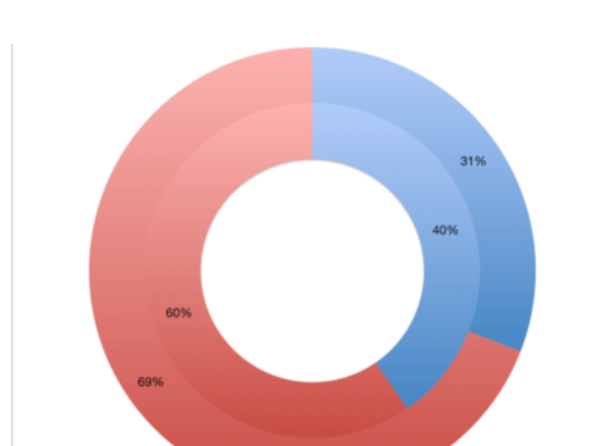
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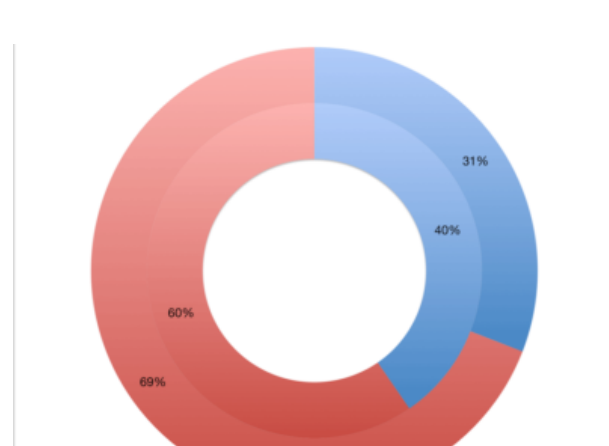
Gallery Representation in...
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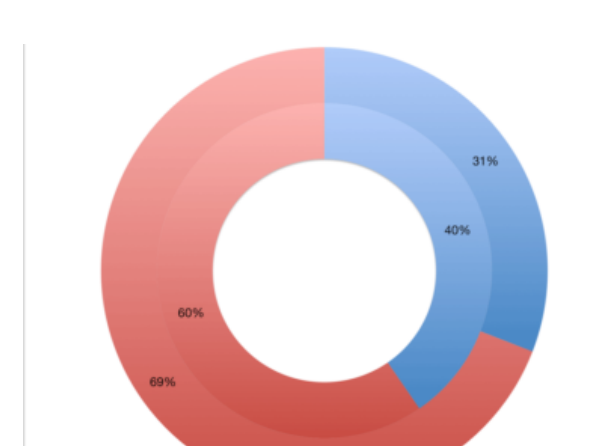
2007 to 2012 snapshot c...
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01 May 2014



One more on methodology
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28 Apr 2014



Methodology in short
Waging Culture 2012
24 Mar 2014



The socio-economic statu...
Waging Culture 2012
26 Jun 2013

The socio-economic statu...
Waging Culture 2007
01 Apr 2009

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Sunday noon – 5 pm

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