

**Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget**



Canadian Federation of Musicians

- **Recommendation 1 (CERB):** That the government extend the CERB (Canada Emergency Response Benefit) until at least March 31, 2021, but preferably until all crowd prohibitions have been lifted and government allows live performance venues to reopen.

OR: That the government extend the CERB (as above) and restrict the extension to entertainment workers.

AND: That the government extend the CERB (under either of the above scenarios), and increase the \$1,000 monthly non-penalized earnings, with a gradual claw-back of benefits, rather than termination of the benefit if the maximum earnings are exceeded.

- **Recommendation 2 (UBI):** That the government implement a Universal Basic Income.
- **Recommendation 3 (EI Expansion):** That the government expand the Employment Insurance (EI) program to fully include the self-employed, both as contributors and recipients.
- **Recommendation 4 (EI Extension):** That the government extend EI Regular Benefits, on a temporary basis, past the maximum claim period by 4-week increments, until such time as government lifts all crowd prohibitions.
- **Recommendation 5 (RRSPs):** That the government allow Canadians with Registered Retirement Savings Plan (RRSP) accounts to make non-taxable, limited withdrawals and to repay these withdrawals over a defined period.

Background

The Canadian Federation of Musicians (CFM) is the Canadian National office of the American Federation of Musicians of the United States and Canada (AFM). The CFM provides vital resources to Canadian musicians at all stages of their careers, on any platform, from live concert to recorded performance, theatre, traditional and digital broadcast and film scoring. **The American Federation of Musicians of the United States and Canada** (AFM) is comprised of 200 local offices across the United States and Canada, collectively representing a membership of approximately 80,000 professional musicians, 17,000 of whom are Canadian. The AFM/CFM has been representing the interests of U.S. and Canadian musicians for 125 years, as the representative of professional musicians in a broad range of collective bargaining and legislative actions.

Current Conditions

As COVID-19 descended, the entertainment industry was the first to shut down and, due to prohibitions on crowds, it will be the last to return – particularly the live performance sector.

Other industries - like food & retail, transportation, or tourism – are hurting, but all have at least some movement. People are still ordering takeout food and products, planes are still in the air, and many people are taking vacations closer to home and staying in hotels, etc. This is not the case in live entertainment. We have virtually 100% unemployment. The film industry is slowly returning, but while the government has prohibitions on crowds, it must also make supports available for live performance workers who are, by extension, prohibited from performing their work. Even when restaurants and bars are allowed to re-open, the limited capacity and corresponding reduced revenues will not allow for a budget which includes live musicians.

Entertainment workers – particularly those in live performance – are not out of work because they want to be. They are hungry to return. All of the major theatrical producers and venues have announced that the 2020-2021 season is cancelled, meaning the earliest that workers can resume their work is spring of 2021. Entertainment workers almost never choose not to work. You never know when your next gig will appear, but you always know that there will be a slow period coming. When you are a freelancer, you work when there is work.

Why the CEWS and Streaming/Recording Live Performances are Not Viable Income Sources

The musicians in Canada are experiencing wage losses in the range of \$12 million every month. The vast majority of our members have multiple employers – perhaps as many as 50 each year. Due to these multiple employers, fewer than 2% of our members are receiving support through the Canada Emergency Wage Subsidy. **While the CEWS program is a good one, it is not an effective support for our industry.**

There has been much discussion about the industry “adapting” during this pandemic, and streaming live performances as a source of income. The industry isn’t unwilling to adapt and stream, or record and broadcast. We’ve been doing it for years. The world has been enjoying *Hamilton* on Netflix because it was filmed four years ago. But **while streaming might provide some income for venues or producers (assuming people are willing to buy “tickets” or subscribe), that money does not go to the thousands of workers making the broadcast happen.** If you record one performance and make it available to view for a year, our members are paid only for the creation of that one performance. They are not receiving a year’s wages - they way they would have if the show was performed live, night after night, for that year.

Potential Income Supports That Work for Arts & Culture Workers

We are very grateful to the Government of Canada for the creation of the CERB. For workers not eligible for EI, it has been a lifesaver. Our members applied immediately, and will therefore be maxing out their CERB benefits next month. Support is still very much needed.

Our members possess highly specialized skills that have taken many years to acquire. Some, such as instrumentalists, composers, arrangers and copyists, have skills that are so unique to our industry it would be impossible to apply them to another industry. If income supports are

not in place and these workers are forced to leave the industry to put food on the table, that is a huge loss to Canada's cultural landscape.

During World War II, Sir Winston Churchill was rumored to have said, "If we didn't have the arts, then what are we fighting for?" It is arts and culture that define a country and make it rich. Government must ensure that the workers who provide that culture are supported, so that when Canadians are finally able to go to a play, a rock show, or the ballet, there are still workers to make that happen. This can be accomplished through different means.

Recommendation 1 (CERB):

We recommend that government extend the CERB (Canada Emergency Response Benefit) until at least March 31, 2021, but preferably until all crowd prohibitions have been lifted and live performance venues can reopen. If a blanket extension is not possible, we ask that government extend the CERB (for the period above) and restrict the extension to entertainment workers. Applicants could be required to provide proof that the majority of the previous year's income was derived from the entertainment industry.

Occasionally, entertainment workers are able to work small jobs or have side projects that generate some income. Currently, if a CERB recipient earns even \$1 over the \$1,000 monthly earnings cap, they become ineligible for support that month. Workers are so afraid of losing that CERB lifeline that this cap prevents workers from "earning their way" out of needing support as the industry slowly reopens. We would therefore recommend that government extend the CERB (under either of the above scenarios), while also increasing the \$1,000 monthly non-penalized earnings, with a gradual claw-back of benefits, rather than termination of the benefit if the maximum earnings are exceeded.

Recommendation 2 (UBI):

The gig economy is undermining decades of worker protections for unrepresented workers, but arts workers have always been gig workers. Some are classified as employees and have been able to access Employment Insurance, but for the self-employed, the CERB has been their only support and it is about to end. Now is the perfect time to pilot a universal basic income program in Canada.

The world of work is beginning to more strongly resemble the world of cultural work. The implementation of a Universal Basic Income would address the needs of workers, including arts workers, who often fall through the cracks of our outdated income support systems. It would also address the issue of retention, particularly in retaining workers who are just starting out in our industry and whose employment is typically more sporadic. All Canadians, and particularly gig workers, would benefit from a UBI in which, as workers earn income, benefits would be reduced, but not eliminated until a defined ("living wage") threshold is reached.

Recommendation 3 (EI Expansion):

Many arts workers are self-employed contractors. Currently, Employment Insurance (EI) offers self-employed workers the option to partially opt-in. Participants are able to contribute to EI Special Benefits (i.e. maternity, parental, sickness & compassionate care), but are unable to contribute to - and therefore ineligible for - EI Regular Benefits.

Not allowing self-employed workers to participate fully in the EI program puts gig workers at a disadvantage. As gig and self-employed workers become a larger part of the workforce, the EI program must also evolve to accommodate them so that they can contribute to and receive the full benefits available to traditional employees through EI Regular Benefits. Those who choose not to opt in and contribute would be ineligible for benefits.

An update of this nature would need to contemplate a transition period, under which all workers could receive benefits (or where some sort of income was still paid to those in need), regardless of their contributions. This would be a temporary measure, until the industry has been open for long enough that workers have been able to fully contribute for a year.

Recommendation 4 (EI Extension):

Virtually every major theatrical producer in Canada has announced the cancellation of their 2020-2021 seasons. Live performance work is cyclical, or seasonal, meaning the earliest the live performance industry will reopen is spring of 2021. These workers will need supports in place until they can return to the work for which they have spent their lives training. We therefore urge the government to institute temporary measures to extend EI Regular Benefits past the current maximum claim period, until crowd prohibitions are lifted. This could be done in 4-week increments, to allow government to evaluate and monitor the situation, and terminate once the determination is made that it is safe to congregate in large groups.

Recommendation 5 (RRSPs):

Government supports, while necessary and appreciated, will not always go far enough to cover all of the day-to-day costs for recipients. To help address this, one proposal would be a mechanism that will allow Canadians to make a limited, non-taxable withdrawal from their RRSPs and repay the funds over a defined period of time, to ensure that their retirements are not adversely affected. The mechanism would function similarly to the First Time Home Buyers and Lifelong Learning plans.

In this time when government resources are also stretched very thin, it offers the Government of Canada the ability to ensure Canadians get access to much-needed funds at almost no cost to government. It would also be temporary, and government could terminate the program once the economy has returned to pre-pandemic levels.

Conclusion

More than ever, the pandemic has underscored the importance of the arts in people's lives. Movies, television series, and music are where people have turned for comfort, laughter, and escape. Canadians need the arts, and have been there. We urge government to continue to support arts workers now, when they need you.

Respectfully,

A handwritten signature in blue ink that reads "Alan Willaert". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Alan Willaert
AFM Vice-President from Canada