

A Guide to the Canada Council Benchmarks for Canadian Magazines (2010 data)

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Executive summary

Numbers of titles, circulation, and readership of Canada’s cultural magazines

In 2011, as Table 1 summarizes, the Canada Council for the Arts provided financial support to 94 cultural **print** magazines, four more than in 2010. It also provided support to cultural e-titles: Nine English-language and four French-language titles received support. Of the 94 print titles, 62 were in English and 32 in French (each, two more than in 2010). Thirty-nine were English-language literary titles; 20 were French-language literary titles. Twenty-three were English-language arts titles; 12 were French-language arts titles.

Nearly 520,000 paid-for copies of various issues circulated throughout the year, 407,000 in English and 112,000 in French. These copies were read, in all probability, by at least two million readers. This estimate is based on firm data provided by Magazines Canada, but for a limited selection of titles in which readers per copy ranged from 1.8 to 6.3. The titles published across the country and supported by the Council served over 81,000 subscribers, 65,000 in English and 16,000 in French

(overall up by 4,600 from the previous year). As well, 50,000 nonsubscription sales were made; 37,000 English-language magazines and 13,000 French-language titles. Subscribing purchasers predominated in numbers over annualized nonsubscription purchasers; more so for English-language titles (64% of total) than French-language titles (55% of total).

	All	English	French
Number of print titles	94	62	32
Number of e-titles	13	9	4
Literary titles	59	39	20
Arts titles	35	23	12
Number of subscriptions	81,000	65,000	16,000
Single copy sales annualized	50,000	37,000	13,000

Revenue: Based on financial data provided in applications made by recipients of support from the Council, arts and literary magazine publishing represents a countrywide enterprise with revenues of \$15 million (grants included) and growth of nine percent from 2009 - 2010. As Table 2 indicates, 35 percent of earned and donated revenue derive from sales of copies to readers. An equal 35 percent comes from sales of advertising. Ten percent comes from a variety of sources. This leaves 20 percent that derives mainly from donations and fundraising with minor amounts of employment subsidies added in.

	Combined markets	English-language market	French-language market
Total earned and donated revenue	6,739,524	5,347,125	1,392,399
Sales to readers	35%	33%	45%
Sales of advertising	35%	34%	41%
Other earned revenue	10%	11%	7%
Donations*	20%	22%	7%

*Includes minor amounts of employment subsidies

Substantial differences in percentage contribution of revenue categories are noticeable between the English- and French-language markets. As Table 2 indicates, in the English-language market revenue is divided nearly equally among sales to readers, sales to advertisers, and other earned revenue including donations. In the French-language market, sales to readers are at a much higher 45 percent of revenue, followed by high sales to advertisers at 41 percent, with only 14 percent of revenue derived from other earned revenue and donations.

Jobs: In 2010, the industry generated an estimated 280 full-time-equivalent jobs at \$35,000 per annum. Half those jobs involved editorial work. Translated into magazine actualities, this represents, in all probability, an involvement of more than 600 full and part-time paid employees in addition to unnumbered volunteers.

Grants: For English-language titles, the Canada Council is the lead granting agency, whereas in Quebec, the province is the lead financial supporter. Grants represent 49 percent of income for English-language titles and 69 percent for French-language titles. Overall, both grants and earned revenues have increased in dollar amounts from 2009. In percentage terms, for English-language magazines, grant income is up by two percent to 49 percent in contribution to overall revenue with earnings and donations at 51 percent. On the French-language side, grant income and hence earned and donated income have held steady at 69 and 31 percent of revenue respectively.

Earned and donated income: While earned and donated income has reached nearly \$7 million and has increased over the previous year, for English-language titles, it has decreased in percentage contribution of earned income by two percent. The decrease in percent contribution, however, is not uniform across all categories of titles: Literary titles with circulation of 1,000-1,500 are up by two percent. Likewise arts titles, other than visual arts, are down two percent while visual arts titles are up by 9 percent. Advertising sales account for almost all of the increase in earned income of visual arts titles. On the French-language side, earned income is up in dollars and has held steady at 31 percent of revenue.

Expenditures: Generally speaking, as noted last year, (2009 data) arts titles incur greater creation costs than do literary titles. Arts titles also attract relatively greater levels of advertising than their literary cousins, and they contribute a greater percentage of costs through earned revenues than do literary titles. Looking at overall expenditures from a linguistic perspective, it is notable that production, distribution and overhead costs represent a higher percentage of costs for English-language magazines while editorial, cost of sales, and marketing represent a higher percentage of costs for French-language magazines. This appears to derive from differential economies of scale.

Higher circulation does not necessarily lead to a higher percentage contribution to earned revenue through subscriptions, advertising, or nonsubscription sales. In some, but not all instances, that is the case.

Categories of expenditures: In terms of categories of expenditures, the three major categories of expenditures were editorial, overhead, and production. As Figure 1 shows, while in editorial, production, and marketing, promotion and publicity expenditures were lower for English-language magazines than for French-language magazines, they were almost equal for distribution. Overhead expenditures were substantially greater for English-language magazines than for French-language magazines. Relatively low expenditures are made on marketing, promotion and publicity, especially by English-language magazines.

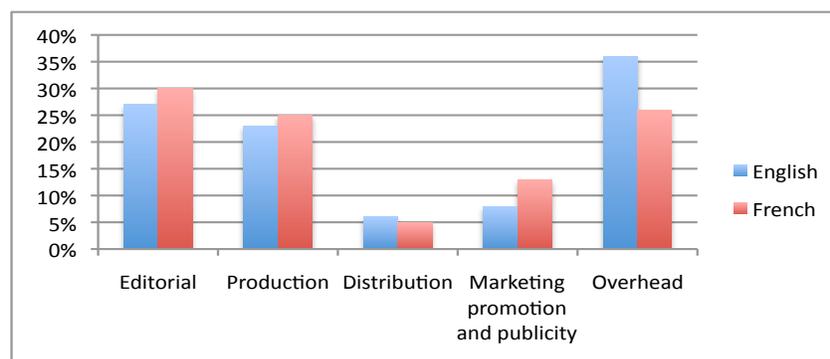


Figure 1 Expenditures by category

The components of expenditures remained fairly constant with last year's data, as did the differences between French-language and English-language titles.

Production compared to purchase costs: An examination of cost and price per page indicate that, on average, purchasers pay nine cents per page for content that, for English-language titles, costs \$475 per page to publish and for French-language titles costs \$425 per page.

E-titles: Limited data were available for the nine English-language and four French-language e-titles. Examination of revenue, grants, expenditures and usage indicated relatively simple but successful operations dependent on fundraising and grants. Rarely did advertising contribute appreciably to revenue. Self-generated income was nearly two-thirds of revenue and the Canada Council and municipalities were the main granting agents to these titles. By far the most spending was on editorial, with production and overhead costs combining equally to amount to about two-thirds of editorial costs. Usage was substantial in terms of numbers of visitors and page hits, especially for the French-language sites.

Overview: The rich source of data collected in Canada Council applications confirms that Canadian cultural magazines are a substantial and growing national enterprise and the analyses provided to grant recipients allows each title to examine its own costs, earnings, grants, distribution and publication data in comparison with other titles in the same language, in the same genre, and in the same circulation bracket or subgenre.

Introduction to print titles

This third benchmark examination carries forward an analysis of the financial and publishing dynamics of magazine titles that received assistance in 2011 from the Canada Council for the Arts. For the first time, electronic titles, or in short form, e-titles are included to reflect emerging internet realities that are enormously increasing the possibilities for periodicals, which some are calling "continuals." As in the preceding studies, the purpose of this study is to provide an overview of groups and various sub-groups of titles and to allow magazine publishers participating in the Canada Council program to evaluate aspects of their financial and publishing operations in relation to other titles and previous years. This study provides information based on the most recent complete year of data submitted for the 2011 competition. Usually, the data reported are 2010 data and this report compares that data to the year previous (2009).

Note to magazine publishers using the benchmarks

The data presented are based on the information that each title submitted to the Canada Council. The customized reports provided to each title allow comparison to aggregated data that are:

- within a general category (literary and arts);
- somewhat like; when number of cases permit, and,
- most like their title.

This information may further the understanding by individual publishers of the relative nature of their operations compared to their peer publications.

As noted in the past, differences between individual titles and averages for the group are to be expected. The numbers are merely a beginning and may or may not warrant reflection on their meaning. It is useful to recall that substantial differences may be attributable to different requirements, such as colour versus black and white printing.

Titles that benefit from volunteers and low-paid interns will have low expenditures in those areas supported by such workers, resulting in comparatively higher percentage expenditures in other categories. Bringing various categories of expenditures or revenue in line with the norm is necessarily desirable. These data are reasonable depictions of how the group of magazines being studied is spending and earning revenue, and may assist individual titles in spending and earning decisions.

Reading the data

French-language and English-language titles have been treated as different populations and have not been combined although they have been compared. As well, print and electronic titles have also been treated as different populations.

The package of data accompanying this report sent to Canada Council grant recipients contains comparisons of individual titles to:

- All English-language publications or French-language publications;
- Literary or arts titles; and,
- A comparative genre/circulation group if that group was large enough to ensure confidentiality.

The reports are organized with the following headings.

1. ALL ENGLISH-LANGUAGE TITLES
 - 1a. ENGLISH-LANGUAGE PRINT MAGAZINES
 - 1b. ENGLISH-LANGUAGE E-MAGAZINES
 2. LITERARY MAGAZINES
 3. LITERARY MAGAZINES Circulation <1000
 4. LITERARY MAGAZINES Circulation 1000-1500
 5. LITERARY MAGAZINES Circulation >1500
 6. ARTS MAGAZINES
 7. VISUAL ARTS MAGAZINES
 8. FILM MUSIC PERFORMING ARTS TITLES
 9. E-MAGAZINES
-
1. PÉRIODIQUES DE LANGUE FRANÇAISE
 2. PÉRIODIQUES LITTÉRAIRES
 3. PÉRIODIQUES DES ARTS
 4. PÉRIODIQUES LITTÉRAIRES Circulation <500
 5. PÉRIODIQUES LITTÉRAIRES Circulation ≥ 500
 6. PÉRIODIQUES ARTS VISUELS
 7. PÉRIODIQUES ARTS MÉDIATIQUES ET AUTRES ARTS
 8. PÉRIODIQUES ÉLECTRONIQUES

Some definitions

Format, P = print, E = electronic

Genre, (for example, Literary) is the genre in which a title has been classified and to which it will be compared. Music, Film, and Performing Arts titles are combined into one group for English-language magazines.

% Rev is revenue expressed as a percentage of TOTAL REVENUE. (i.e.; total subscription revenue as a percentage of total revenue, earned, donated, and grants included).

% Rev Avg is the total revenue received by the group averaged across all firms in that group (even though some may have reported no revenue in this category). This way of averaging allows for the allocation of all revenue by the group across all categories as comparable percentages. This way of averaging differs from the column beside it labeled "Average" as explained below.

% Exp is expenditures expressed as a percentage of expenses (i.e.; production costs as a percentage of total expenses).

% Exp Avg, parallel to **% Rev Avg** is the total spending by the group averaged across all firms in that group (even though some may have reported no spending in this category).

Count is the number of titles reporting in a category.

Average is the average or mean value of all those counted. It is the average of the figures on the same line. For example, it is an average amount reported by all those titles who actually reported paying art and photo fees, not an overall average across all titles of the total amount paid out in art and photo fees.

The implications of this latter way of calculating averages are, for example, that the total of the averages of each line differs from the average total cost—because, not every publisher reported spending for the various items within the category.

Standard deviation is a measure of variability. The values in the standard deviation column define the range on either side of the mean within which 68.27 percent of cases fall (assuming that the population of titles reporting approximate a normal distribution—a somewhat tenuous assumption). More roughly speaking, the larger the number relative to the mean, the more spread out are the data reported by individual titles. The standard deviation is reported here to give a sense of the variability or spread of the values reported by those whose records were analyzed.

Example: If the mean newsstand price is \$3.80 and the standard deviation is 4.00, then 68 percent of titles would have a newsstand price of between \$1.80 and \$5.80. Were the mean to be the same \$3.80 and the standard deviation to be 6.00, then 68 percent of cases would fall between \$.80 and \$6.80.

Confidentiality limitations

Of the nine English-language electronic titles reporting, the data provided in sufficient numbers in various cells were limited to a few categories. To preserve confidentiality, a very abbreviated set of data can be reported. The situation was even more restrictive on the French side with only four titles reporting.

General overview Canada's cultural magazines

The data that form the foundation of this study are taken from the most recent year of operation reported in Canada Council application forms in 2011. This we will refer to as 2010 data to reflect the fiscal year most often reported.

Industry composition: The Canada Council provided support in 2010 to 107 titles composed of:

- 71 English-language titles, 62 in print and nine e-titles, made up of
 - 39 literary print magazines;
 - 23 arts print titles;
 - 7 literary e-titles; and,
 - 1 visual arts e-title; and,
 - 1 music e-title.
- 36 French-language titles, 32 in print and four e-titles, made up of
 - 20 literary print magazines;
 - 12 arts print titles;
 - 4 arts e-titles.

Copies in circulation: As Table 3 indicates, the estimated total number of copies of the print titles that were sold during 2010 was over half a million (518,176) (11,500 fewer than 2009).

For English-language magazines

- 406,615 were paid-for copies (5,525 more than 2009; average per title = 6,558);
- 61,247 were unpaid-for copies; (not in Table 3) amounting to
- 467,862 copies in total.

For French-language magazines

- 111,561 were paid-for copies (17,293 fewer than 2009; average per title = 3,486)
- 29,113 were unpaid-for copies; (not in Table 3) amounting to
- 140,674 copies in total.

Combined, a grand total of 608,536 copies were in circulation.

Subscribership and other purchasing: With further reference to Table 3, starting with the second column of numbers, subscribership totals and averages are also presented with reference to language and genre. Note: The “average” title, formally the “mean,” equals the sum of all values divided by the number of titles. The mean can be distorted in its representation of “averageness” or typicality, however, by unevenness in the distribution, for instance by a few high- or low-circulation titles. That caveat entered, the average circulation values are reported along with the total values in Table 3.

	Total annual cumulated paid circulation		Total subscriptions	Total non-subscription copies sold each issue	Total paid circulation per issue
English-language mags n=62	avg.	6,558	1,056	595	1,651
	tot.	406,615	65,471	36,861	102,332
Literary magazines n=39	avg.	5,684	900	438	1,338
	tot.	221,690	35,100	17,095	52,195
Arts magazines n=23	avg.	8,040	1,320	859	2,180
	tot.	184,925	30,371	19,766	50,137
Périodiques de langue française	avg.	3,486	500	406	906
	tot.	111,561	16,001	12,994	28,995
Périodiques littéraires n=20	avg.	2,499	400	255	655
	tot.	49,971	7,994	5,100	13,094
Périodiques des arts n=12	avg.	5,133	667	658	1,325
	tot.	61,590	8,007	7,894	15,901
Total	tot.	518,176	81,472	49,855	131,327

As the table shows, English-language magazines attracted 65,471 subscribers (average per title = 1,056); 36,861 in non-subscription sales inclusive of, for example, single copy sales and bulk sales (average per title = 595); and 102,322 total paid circulation per issue (average per title = 1,651).

English-language literary magazines attracted 35,100 subscribers (average per title = 900); 17,095 in non-subscription sales (average per title = 438); and 52,195 total paid circulation per issue (average per title = 1,338).

English-language arts magazines attracted 30,371 subscribers (average per title = 1,320); 19,766 in non-subscription sales (average per title = 859); and 50,137 total paid circulation per issue (average per title = 2,180).

French-language magazines attracted 16,001 subscribers (average per title = 500); 12,994 in non-subscription sales (average per title = 406); and 28,995 total paid circulation per issue (average per title = 906).

French-language literary magazines attracted 7,994 total subscribers (average per title = 400); 5,100 in non-subscription sales (average per title = 255); and 13,094 total paid circulation per issue (average per title = 655).

French-language arts magazines attracted 8,007 total subscribers (average per title = 667); 7,894 in non-subscription sales (average per title = 658); and 15,901 total paid circulation per issue (average per title = 1,325).

Combined, the magazines attracted a grand total paid circulation per issue of 131,327.

Per-issue purchases: As the above data indicate, the makeup of purchasers of titles on a per-issue basis in the two official languages is somewhat different.

For English-language titles

64 percent of purchasers were subscribers, and
36 percent non-subscribers, (i.e., single copy and other purchasers).
This represents a negligible change from 2009 where the figures were 63% and 37%.

For French-language titles

55 percent of purchasers were subscribers, and
45 percent non-subscribers, (i.e., single copy and other purchasers).
This represents a notable change from 2009 where the figures were 59% and 41%. The
increase in non-subscription sales and the decline of subscription sales may possibly
represent a change in the demographic of magazines purchasers.

E-title usage: New on the scene, in addition to these print circulations, were electronic
magazines and with them has come such digital data including the number of site visits and page
hits. (Please see Part 2 of this report.) Over their reporting year, the nine English-language e-titles
reporting attracted

762,300 visits per year with considerable variability between titles; and
4,292,145 page hits.

The data for French-language e-titles cannot be reported for reasons of confidentiality.

Enterprise overview: Consistent with last year's data presentation, it is useful to see this
publishing activity as an aggregated enterprise. In that context, in addition to having sold over a
half million copies, and with a further 100,000 unpaid copies circulating, as Table 3 shows, on the
bottom line, the Canadian cultural magazine enterprise attracted:

A subscribership of 81,472 (up by 4,591);
Per-issue sales of 49,855 (up by 2,842); resulting in
Total sales per issue of 131,327 (up by nearly 7,500);
Published on average published 3.62 times a year.

Somewhat paradoxically it seems, both number of subscribers and nonsubscription sales are up but
annual paid circulation down. This would be accounted for by a combination of an overall
decrease in the number of issues published per year together with an increased number of titles
published.

Revenue and its components: Table 4 presents a detailed analysis of earned, donated and grant
revenue in category totals and averages for English- and French-language titles that supplements
the overall enterprise figures in the immediately preceding section. The table, as with most tables
in this study, is meant to be read selectively. For instance, reflective of an enterprise overview, as
the two cells in the bottom right corner of Table 4 show, as of 2010:

Canada Council-supported cultural magazines represented just short of
a \$15 million business, grants included, and
a \$6.74 million business, grants not included.

After recalculation of the 2009 data to include donations and fundraising and "other employment
subsidies," the figures indicate

healthy growth of 9 percent in earned and donated revenue, and
11.5 percent growth in publishing-oriented grants,

(not taking into account e-titles which add on ~2% more revenue).

English-language title earnings (and donations) account for \$5.35 million.

French-language titles earnings (and donations) account for \$1.4 million.

Sales of copies, and advertising revenue, are effectively equal at close to \$2.4 million each (combining French and English-language title data, see bottom line, the third and fourth column of numbers).

		Subscription sales	Nonsubscription sales	Paid circulation sales	Ad sales	Other earned revenue	Earned revenue	Earned and donated revenue*	Grant revenue
English-language mags n=62	avg.	\$ 21,488	\$ 6,906	\$ 28,394	\$ 29,263	\$ 9,524	\$ 67,181	\$ 86,244	\$ 81,281
	tot.	\$1,332,240	\$ 428,179	\$1,760,420	\$1,814,317	\$ 590,472	\$4,165,208	\$5,347,125	\$5,039,430
Literary magazines n=39	avg.	\$ 18,225	\$ 4,380	\$ 22,605	\$ 9,525	\$ 11,243	\$ 43,372	\$ 60,377	\$ 77,792
	tot.	\$ 710,772	\$ 170,812	\$ 881,585	\$ 371,471	\$ 438,467	\$1,691,522	\$2,354,718	\$3,033,889
Arts magazines n=23	avg.	\$ 27,020	\$ 11,190	\$ 38,210	\$ 62,732	\$ 6,609	\$ 107,552	\$ 130,105	\$ 87,197
	tot.	\$ 621,468	\$ 257,367	\$ 878,835	\$1,442,846	\$ 152,005	\$2,473,686	\$2,992,407	\$2,005,541
Périodiques de langue française n=32	avg.	\$ 14,541	\$ 5,094	\$ 19,635	\$ 17,963	\$ 3,204	\$ 40,802	\$ 43,512	\$ 96,368
	tot.	\$ 465,309	\$ 163,022	\$ 628,331	\$ 574,821	\$ 102,527	\$1,305,679	\$1,392,399	\$3,083,766
Périodiques littéraires n=20	avg.	\$ 9,775	\$ 4,244	\$ 14,020	\$ 11,510	\$ 937	\$ 26,467	\$ 27,202	\$ 74,565
	tot.	\$ 195,507	\$ 84,885	\$ 280,392	\$ 230,206	\$ 18,740	\$ 529,338	\$ 544,037	\$1,491,308
Périodiques des arts n=12	avg.	\$ 16,369	\$ 6,511	\$ 22,880	\$ 28,718	\$ 6,982	\$ 58,581	\$ 70,697	\$ 132,705
	tot.	\$ 196,427	\$ 78,137	\$ 274,564	\$ 344,615	\$ 83,787	\$ 702,966	\$ 848,362	\$1,592,458
Total	tot.	\$1,797,549	\$ 591,201	\$2,388,751	\$2,389,138	\$ 692,999	\$5,470,887	\$6,739,524	\$8,123,196

Figures 2 and 3 illustrate the revenue sources and percentage amounts for English-language and French-language magazines. Figure 2 depicts English-language magazine revenue. Note the three equal divisions between sales of copies (subscription and non-subscription sales), ad sales, and other revenue sources. (These data are also presented in percentage terms in Table 2 and in dollar amounts in Table 4.) Figure 3 depicts French-language magazines. Note the predominance of sales of copies followed by the nearly equal (4% less) ad sales, and much less other revenue.

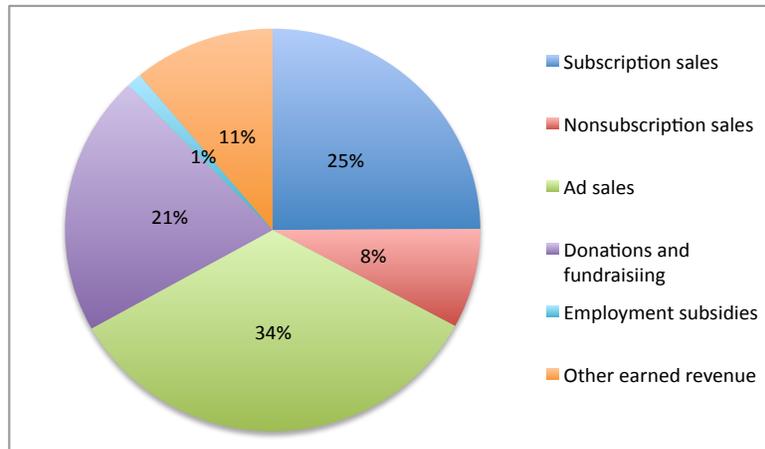


Figure 2. Revenue sources for all English-language magazine titles supported by the Canada Council.

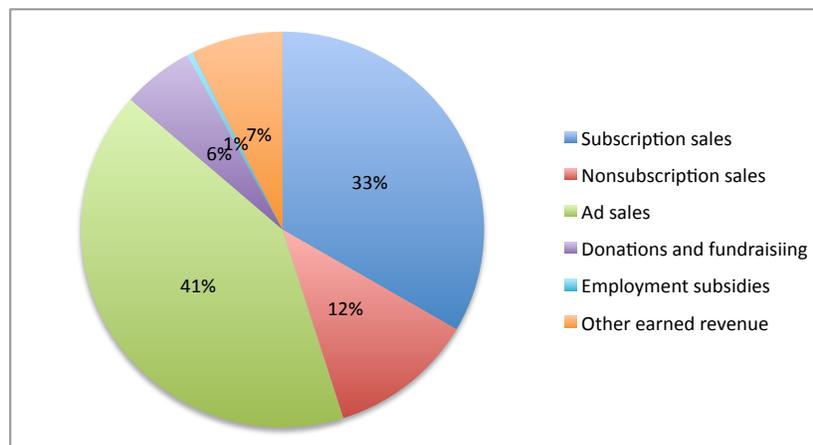


Figure 3. Revenue sources for all French-language magazine titles supported by the Canada Council.

Differential margins: Table 5 documents the differential numbers and contribution of subscriptions and annualized nonsubscription sales to revenues. For English-language titles:

The percentage contribution in terms of numbers of subscription and annualized non-subscription sales was 64 percent and 36 percent respectively.

The corresponding revenues represented 76 percent and 24 percent of revenue from purchases of copies.

Thus each subscription generated (on a per-dollar-sale basis, as it were) 1.78 times the revenue generated by annualized nonsubscription sales for English-language titles.

For French-language titles:

The percentage contribution in terms of numbers of subscription and non-subscription sales was 55 percent and 45 percent; while

The corresponding revenues represented 74 percent and 26 percent of revenue from purchases of copies.

Thus each subscription generated (on a per-dollar basis) 2.52 times the revenue generated by annualized nonsubscription sales for French-language titles.

	Percent subscription sales	Percent contribution to revenue	Percent nonsubscription sales	Percent contribution to revenue
English-language titles	64%	76%	34%	24%
French-language titles	55%	74%	45%	26%

This difference in earning power comes partially from the fact that while non-subscription sales command a much higher per-copy price, that price is shared with distributors and retailers; plus, on average at least 35 percent of distributed copies go unsold.

Jobs: While all expenditures totaled \$14,450,376, certain categories of expenditures are salary and wage-dominated. These are editorial, prepress and other production activity, administration, and distribution, which cost publishers in total \$10,808,880. Assuming that these are wholly salary figures, (and that others are wholly not) the contribution to employment made by the Canadian cultural magazine enterprise for 2010, where each job is valued at \$35,000, was calculated to be:

224 full-time-equivalent in-house jobs; (8 more than 2009) comprised of
115 full-time-equivalent jobs in editorial;
26 full-time-equivalent jobs in prepress;
58 full-time-equivalent jobs in general salaries with benefits; and,
25 full-time-equivalent jobs in distribution within their own operations (a jump from 10 jobs in 2009) (presuming the foregoing categories are undertaken in house).

Outside the firm, presuming that two-thirds of expenditures went to salaries, expenditures generated two more jobs than 2009

47 \$35,000 full-time-equivalent jobs in printing and binding; and,
9 \$35,000 full-time-equivalent jobs in postal operations.

The net result is that the industry may create as many as 280 FTE jobs at \$35,000 per annum.

Useful as such figures might be, far more than 280 people are engaged in the stable of titles being reviewed. In addition to volunteers, a great many others participate either part time in cultural magazine publishing or full time at salaries less than \$35,000 per annum. It would not be at all unreasonable to estimate that at least 600 people work, in one way or another, directly in cultural magazine production (supported by the Canada Council) in Canada.

Grant sources: As noted in last year's report, the Canada Council is the lead supporter for cultural magazines in all provinces outside Quebec, a lead that is followed closely by many provincial arts councils. In Quebec, the province leads the Council by eight percent of all grants. Stable, year-over-year investment by the Canada Council has sustained Canada's cultural magazines in numbers that otherwise would be much diminished.

Grants: Overall, public support for magazines in the form of targeted publishing grants represented 49 percent of English-language magazine revenue and 68 percent of French-language magazine revenue. The actual amounts were \$5,039,430 and \$3,083,766 respectively. The percentages are much the same as in 2009.

Figures 4 and 5 illustrate the average components of the grants each title received.

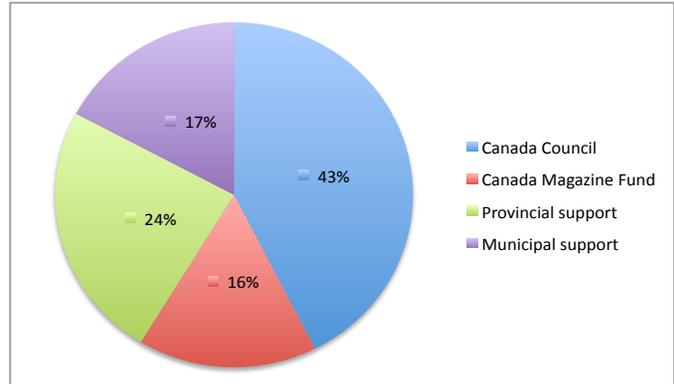


Figure 4. Sources of grants for all English-language magazine titles supported by the Canada Council

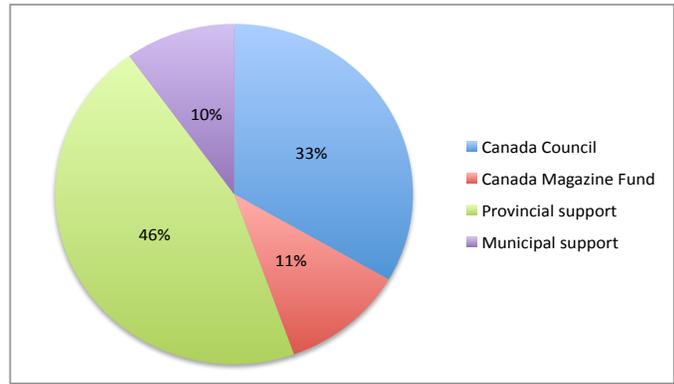


Figure 5. Sources of grants for all French-language magazine titles supported by the Canada Council

To complete the picture, Figures 6 and 7 depict the relative value of the component costs or expenditures that Canada Council-recipient titles make to publish their titles.

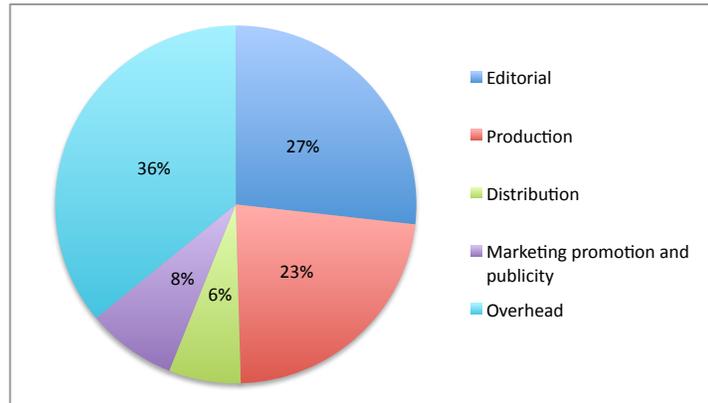


Figure 6. Component expenditures for all English-language magazine titles supported by the Canada Council

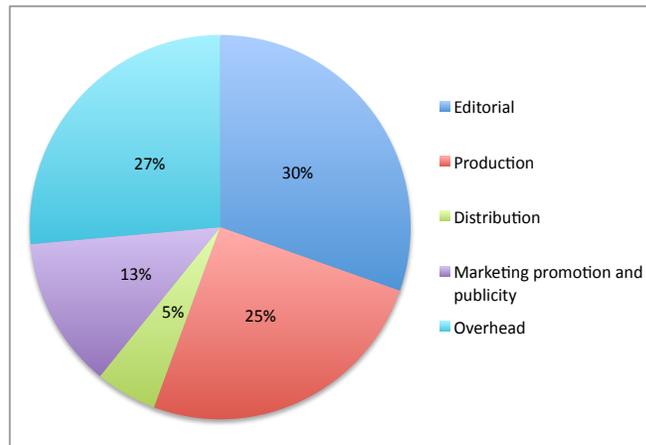


Figure 7. Component expenditures for all French-language magazine titles supported by the Canada Council

Further detail: The remainder of this report provides a detailed analysis intended to give cultural magazines a sense of their contribution and their community. It is also intended to provide the Canada Council and other agencies with a sense of the performance of the overall enterprise to which they contribute.

Detailed revenue analysis: English-language titles

Circulation and revenue

The following table presents notable highlights in the averages of the 62 English-language titles followed by some tables of comparisons across subgroupings of those titles.

Table 6 provides both numerical values and percentage shares for the average title in 2010, 2009 and 2000. Presented in this way, one can see both distributions and change. (Information is made available to Canada Council grant recipients that compares the data of the recipient to averages in the title's linguistic group, the genre (literary or arts) and where confidentiality could be maintained, the circulation level of the title.)

	Eng 2010	Eng 2010 % of revenue	Eng 2009	Eng 2009 % of revenue	Eng 2000	Eng 2000 % of revenue
Avg paid circulation	1651		1667		1804	
Subscription revenue*	\$ 21,488	13%	\$ 20,102	13%	\$18,473	17%
Nonsubscription sales*	\$ 6,906	4%	\$ 5,977	4%	\$ 5,433	5%
Ad revenue*	\$ 29,263	17%	\$ 28,457	18%	\$ 24,993	23%
Donations and fundraising	\$ 18,031	11%	\$ 15,079	10%		
Other revenue + employmt subs	\$ 10,556	6%	\$ 11,864	8%		
Earned and donated revenue*	\$ 86,244	51%	\$ 81,477	53%	\$ 63,025	58%
Percentage of cost of sales	96%		92%		98%	
CC grants*	\$ 34,580	21%	\$ 31,781	20%	\$ 26,079	24%
CMF grants*	\$ 13,157	8%	\$ 11,741	8%		
Provincial grants*	\$ 19,556	12%	\$ 18,182	12%	\$ 14,126	13%
Municipal grants*	\$ 13,988	8%	\$ 11,979	8%	\$ 5,433	5%
All grants*	\$ 81,281	49%	\$ 73,683	47%	\$ 45,639	42%
All revenue	\$ 167,525	100%	\$ 155,160	100%	\$ 108,664	100%
Cdn authors	87%		91%		87%	
Avg. no. pages	104		96		94	
Avg. cover price	\$ 9.71		\$ 9.22		\$ 7.32	
Issues per year	4		4		4	
Print run	2471					
Percent print-run sold	65%		63%		65%	

* note % = mean value of category

For the average English-language title, (hence the industry as a whole) while earned and grant dollars are both up, and revenues overall up by \$12,000, circulation is slightly down, as is the percentage contribution of earned, compared to grant, revenue. In general English-language titles appear to be having difficulty in maintaining ad revenue and other revenue. The increasing share of revenue attributable to grants appears to be mostly attributable to increases in Canada Council grants.

Tables 7, 8, and 9 provide more detail by presenting data for three literary subcategories and two arts categories. Table 9 depicts the changes (between Table 7 (2010) and Table 8 (2009)). This level of detail exposes considerable variability in visual arts magazines. Ad sales soared as a percentage contribution to revenue while donations markedly decreased and partly as a result, grant income decreased as percentage of revenue. This change in ad sales is attributable, in large part, to the inclusion in this year's analysis of a very successful (in terms of ad sales) Canadian visual arts magazine. There was some variation in the changes in the three categories of literary titles. Subscriptions revenue of literary magazines with circulations between 1,000 and 1,500 increased by more than 5 percent whereas other categories were two percent down and unchanged. Overall, earned and donated income is down 2 percent, with the result that grants are (necessarily) up 2 percent. The grant shares by various jurisdictions and agency have increased in value but generally remained steady in their contribution to overall grants.

Table 7 2010 Revenue for English-language magazines by category as a percentage of total revenue

REVENUE	English-language magazines n=62	Literary magazines n=39	Arts magazines n>23	Literary <500	Literary <1000 n=18	Literary 1000-1500 n=11	Literary >1500 n=12	Visual arts magazines n=15	Perf. arts film and music n=8
Subscriptions	13%	13%	12%		8%	14%	16%	12%	14%
Nonsubscription sales	4%	3%	5%		4%	3%	3%	6%	4%
Ad sales	17%	7%	29%		2%	3%	12%	31%	21%
Donations, fundraising	11%	12%	10%		19%	4%	11%	12%	3%
Other	6%	9%	4%		2%	11%	11%	3%	6%
Total earned, donated rev.	51%	44%	60%		35%	35%	53%	64%	48%
Canada Council grants	21%	24%	17%		28%	27%	20%	14%	29%
Canada Magazine Fund	8%	9%	7%		7%	6%	11%	7%	8%
Provincial grants	12%	14%	10%		16%	18%	10%	8%	13%
Municipal and other grants	8%	10%	6%		14%	15%	6%	8%	2%
Total grants	49%	56%	40%		65%	65%	47%	36%	52%

Table 8 2009 Revenue for English-language magazines by category as a percentage of total revenue

REVENUE	English-language magazines n=60	Literary magazines n=37	Arts magazines n>20	Literary <500	Literary 500-999 n=12	Literary 1000-1499 n=11	Literary >1500 n=12	Visual arts magazines n=12	Perf. arts film and music n=10
Subscriptions	13%	14%	11%		10%	9%	16%	8%	14%
Nonsubscription sales	4%	4%	4%		4%	3%	4%	5%	4%
Ad sales	18%	8%	18%		3%	4%	9%	15%	22%
Donations, fundraising	10%	10%	11%		15%	5%	12%	17%	4%
Other	8%	10%	7%		3%	12%	12%	5%	4%
Total earned, donated rev.	53%	46%	51%		35%	33%	53%	50%	52%
Canada Council grants	20%	22%	24%		28%	25%	19%	22%	25%
Canada Magazine Fund	8%	9%	6%		8%	9%	11%	7%	5%
Provincial grants	12%	13%	13%		18%	16%	12%	13%	13%
Municipal and other grants	8%	10%	6%		12%	18%	6%	8%	4%
Total grants	47%	54%	49%		65%	67%	47%	50%	48%

Table 9 Change in percentage of total revenue for English-language magazines by category Year 2010 compared to Year 2009

REVENUE	English-language magazines	Literary magazines	Arts magazines	Literary <500	Literary 500-999	Literary 1000-1499	Literary >1500	Visual Arts Magazines	Perf. arts and music
Subscriptions	0%	-1%	1%		-2%	5%	0%	4%	0%
Nonsubscription sales	0%	-1%	1%		0%	0%	-1%	1%	0%
Ad sales	-1%	-1%	11%		-1%	-1%	3%	16%	-1%
Donations, fundraising	1%	2%	-1%		4%	-1%	-1%	-5%	-1%
Other	-2%	-1%	-3%		-1%	-1%	-1%	-2%	2%
Total earned, donated rev.	-2%	-2%	9%		0%	2%	0%	14%	-4%
Canada Council grants	1%	2%	-7%		0%	2%	1%	-8%	4%
Canada Magazine Fund	0%	0%	1%		-1%	-3%	0%	0%	3%
Provincial grants	0%	1%	-3%		-2%	2%	-2%	-5%	0%
Municipal and other grants	0%	0%	0%		2%	-3%	0%	0%	-2%
Total grants	2%	2%	-9%		0%	-2%	0%	-14%	4%

Earned and donated revenue analysis: English-language titles

The preceding Tables 7 and 8 and their quantitative comparison, Table 9, also indicate that the traditional substantial differences in the relative contribution of the various categories of revenue to total revenue remain (overall, ad sales rank first, followed by subscriptions, and donations and fundraising). They are visually represented in Figure 2 in the previous section. The leadership of ad sales comes about because arts titles (see column 3) are substantially better at attracting advertising than are literary titles. As column 2 indicates, for literary titles, ad sales are the second lowest contributor to earned and donated revenue. Overall, the earned revenue of arts titles constitutes substantially over half of all revenue (60% up 9% from 2009 as a result of adding in the successful visual arts title). For literary titles, earned revenue comes in at a 44 percent contribution (down 2% from 2009). Donations and fundraising are fairly equal contributors of revenue across the literary and arts categories at around 10 percent. On the other hand, grants differ: they are 56 percent of revenue for literary titles, compared with 40 percent for arts titles.

The higher level contribution of subscription sales to overall revenue by the circulation size of literary titles suggested that a correlation test be conducted on the data to see whether circulation level correlated with percentage contribution of subscription income to revenue. Pearson correlation coefficients calculated for English-language and French-language literary and arts titles suggested that it is **not** true to say, as a general rule, that the higher the circulation the greater the percentage contribution of subscriptions to overall revenue.

Grant revenue English-language titles

With respect to the relative contribution of grants from various sources, the Canada Council remains the main source of grants for all English-language titles. It accounts for 21 percent of revenue. (See Figure 4.) In descending order of magnitude, provincial, municipal and other, and Canada Magazine Fund (replaced by the Canada Periodical Fund in 2010) grants are important. As in 2009, they account for 12 percent, eight percent and eight percent respectively of revenue. Donations and fundraising come in at 11 percent.

Canada Magazine Fund assistance to English-language magazines

Of the 62 English-language titles analyzed, 35 received assistance from the Canada Magazine Fund (CMF), where the average grant was \$22,659 (up from \$18,538 in 2009).

Detailed revenue analysis: French-language titles

Circulation and revenue

Table 10 presents notable highlights in the averages of the 32 French-language titles. Table 10 provides both numerical values and percentage shares for the average title in 2010, 2009 and 2000 thus making visible both distributions and change. For the average French-language title, the general financial and circulation picture is entirely positive. Circulation, earned revenue, and grant dollars are all up in absolute terms and the relative contribution of revenue is unchanged from the 2009 data.

	Fr 2010	Fr 2010	Fr 2009	Fr 2009	Fr 2000	Fr 2000
Avg paid circulation	906		883		900	
Subscription revenue*	\$ 14,541	10%	\$0	10%	\$ 10,013	10%
Nonsubscription sales*	\$ 5,094	4%	\$5,285	4%	\$ 5,007	5%
Ad revenue*	\$ 17,963	13%	\$15,448	11%	\$ 12,016	12%
Donations and fundraising	\$ 2,491	31%	\$76,144			
Other revenue + employmt subs	\$ 3,423		\$5,790			
Earned and donated revenue*	\$ 43,512	31%	\$42,922	31%	\$ 33,043	33%
Percentage of cost of sales	51%		51%		58%	
CC grants*	\$ 32,157	21%	\$30,004	22%	\$ 28,036	28%
CMF grants*	\$ 10,781	8%	\$13,564	10%		
Provincial grants*	\$ 43,823	31%	\$42,668	31%	\$ 33,043	33%
Municipal grants*	\$ 9,580	7%	\$8,820	6%	\$ 7,009	7%
All grants*	\$ 96,368	69%	\$95,477	69%	\$ 67,087	67%
All revenue	\$ 139,880	100%	\$ -	100%	\$ 100,130	100%
Cdn authors	90%	90%	90%	90%	91%	91%
Avg. no. pages	105	105	109	109	63	63
Avg. cover price	\$ 9.59	\$ 9.59	\$ 9.39	\$ 9.39	\$ 8.13	\$ 8.13
Issues per year	4	4	4	4	4	4
Print run	1522	1522				
Percent print-run sold	57%	57%	60%	60%	56%	56%

* note % = mean value of category

Greater detail is provided in the following Tables 11, 12 and 13, where, to carry out comparisons and preserve confidentiality, two columns of data from 2009 (literary magazines with circulations of 500 – 999, and 1,000 plus) were combined.

Earned and donated revenue analysis: French-language titles

On the whole, while a certain degree of variability in the 2009 to 2010 comparisons of revenue and grants can be observed in Table 10, and a visual depiction of the relative contribution of their components can be seen in Figures 3 and 5, the changes are most often limited to one to three percent. The largest changes in revenue within the sub-groups of titles came in total earned and donated revenue of literary magazines with circulations less than 500 where, led by “other income” there was a five percent drop. As well, for “Autres arts” titles, there was an eight percent increase in total earned and donated revenue that derived from increased ad sales and donations. Otherwise, led by literary magazines with circulations greater than 500, literary magazines saw a one percent increase in earned and donated revenue. On the other hand, while arts magazines held steady at earning 35 percent of their income, the eight percent increase of “Autres arts” titles was neutralized by a three percent decrease in earned revenue by visual arts titles.

As with the upper level of English-language titles, an examination of the influence of circulation on revenue for literary titles indicates an appropriate slightly increased contribution to revenue from subscription sales by higher circulation titles and a substantial increased contribution in advertising sales as circulation increases. Pearson R correlation coefficients were run on various data groupings and yielded inconclusive results. It appears that independent of circulation, certain titles focus on earning advertising revenue and succeed in doing so.

REVENUS	Périodiques de langue française n=31	Périodiques littéraires n=20	Périodiques des arts n = 11	Périodiques littéraires C<500 n=7	Périodiques littéraires 500+ n=13	Arts visuels n=6	Médiatiques et Autres arts* n=5
Vente d'abonnements	10%	10%	11%	8%	10%	13%	8%
Vente de numéros à l'unité	4%	4%	3%	5%	4%	2%	4%
Vente de publicité	13%	11%	14%	2%	14%	16%	12%
Dons et collectes de fonds	2%	1%	3%	3%	0%	3%	2%
Autre	2%	1%	4%	0%	1%	5%	2%
Total des recettes propres/dons.	31%	27%	35%	18%	29%	39%	28%
Conseil des Arts du Canada	23%	26%	21%	37%	23%	18%	24%
MPC	8%	10%	6%	8%	10%	6%	6%
Provinciales	31%	31%	32%	31%	30%	30%	35%
Municipales et autre subventions	7%	7%	7%	6%	7%	7%	7%
Total des subventions	69%	73%	65%	82%	71%	61%	72%

* Autres arts = Arts de la scène, film et médiatiques

REVENUS	Périodiques de langue française n=32	Périodiques littéraires n=20	Périodiques des arts n = 12	Périodiques littéraires C<500 n=5	Périodiques littéraires C > 500 n=13	Arts visuels n=6	Autres arts* n=6
Vente d'abonnements	10%	9%	10%	7%	10%	11%	9%
Vente de numéros à l'unité	4%	5%	3%	4%	5%	2%	5%
Vente de publicité	11%	7%	14%	2%	9%	19%	4%
Dons et collectes de fonds	2%	2%	2%	3%	2%	3%	0%
Autre	4%	3%	6%	7%	1%	7%	3%
Total des recettes propres/dons.	31%	26%	35%	23%	27%	42%	21%
Conseil des Arts du Canada	22%	24%	20%	29%	22%	16%	29%
MPC	10%	12%	8%	13%	12%	7%	9%
Provinciales	31%	32%	30%	27%	33%	28%	35%
Municipales et autre subventions	6%	6%	7%	5%	6%	7%	6%
Total des subventions	69%	74%	65%	77%	73%	58%	79%

* Autres arts = Arts de la scène, film et médiatiques

REVENUS	Périodiques de langue française	Périodiques littéraires	Périodiques des arts	Périodiques littéraires C<500	Périodiques littéraires C > 500	Arts visuels	Autres arts*
Vente d'abonnements	0%	1%	1%	1%	0%	2%	-1%
Vente de numéros à l'unité	0%	-1%	0%	1%	-1%	0%	-1%
Vente de publicité	2%	4%	0%	0%	5%	-3%	8%
Dons et collectes de fonds	0%	-1%	1%	0%	-2%	0%	2%
Autre	-2%	-2%	-2%	-7%	0%	-2%	-1%
Total des recettes propres/dons.	0%	1%	0%	-5%	2%	-3%	7%
Conseil des Arts du Canada	1%	2%	1%	8%	1%	2%	-5%
MPC	-2%	-2%	-2%	-5%	-2%	-1%	-3%
Provinciales	0%	-1%	2%	4%	-3%	2%	0%
Municipales et autre subventions	1%	1%	0%	1%	1%	0%	1%
Total des subventions	0%	-1%	0%	5%	-2%	3%	-7%

* Autres arts = Arts de la scène, film et médiatiques

Grant revenue: French-language titles

On the grants side of the ledger, (see also Figure 5) Canada Council increased as percentage of revenue overall and mainly in its support for small (less than 500 circulation) literary magazines. The exception was other arts titles, which saw a five percent decrease in the relative contribution of Canada Council grants. CMF grants decreased in percentage contribution across the board, overall by two percent and particularly for literary titles with circulations less than 500 (-5%) and other arts titles (-3%). The percentage contribution of Quebec provincial grants remained unchanged however, parallel to Canada Council grants to literary magazines with circulations less than 500, this latter category saw a four percent increase. Municipal grants increased by one percent, mainly going to literary magazines.

Canada Magazine Fund assistance to French-language magazines

Of the 32 French-language titles analyzed, 21 received assistance from the Canada Magazine Fund, where the average grant was \$16,428 (down from \$17,692 in 2009).

Expenditure analysis

English-language titles

The percentage figures in Tables 14, 15 and 16 begin with the various components of cost of sales—editorial, production, and distribution. Please recall that the relative component expenditures for each language are visually illustrated in Figures 6 and 7. The cost of sales excludes marketing and overhead. The mean (average) cost of sales for English-language titles is 56 percent and within subgroups analyzed, between 53 percent and 62 percent.

As Table 14 indicates, average **editorial** costs for English-language titles are 27 percent and vary between 23 percent and 31 percent of costs with literary titles posting six percent higher costs than arts titles. Average **production** costs for English-language titles are slightly higher than editorial costs at 31 percent and they have a six percent range between 29 percent and 35 percent. Not surprisingly, arts titles have higher percentage production costs than literary titles, although the differential is much narrower for French-language titles.

Average **distribution** costs hover around six to seven percent for English-language publications. Average **marketing** expenditures are generally around eight percent for English-language titles. **Overheads** average out at 36 percent in the English-language market.

COSTS	English-language mags n=62	Literary magazines n=39	Arts magazines n=>20	Literary <1000 n=18	Literary 1000-1499 n=18	Literary 1500+ n=11	Visual arts n=15	Perf. Arts, film and music n=11
Editorial	27%	30%	24%	31%	27%	30%	23%	26%
Production	31%	29%	34%	32%	28%	23%	34%	35%
Distribution	6%	6%	7%	5%	5%	8%	6%	7%
(Cost of sales)	56%	57%	55%	57%	53%	58%	53%	62%
Marketing	8%	7%	9%	6%	10%	7%	9%	8%
Overhead	36%	36%	36%	37%	37%	36%	37%	31%

COSTS	English-language mags n=60	Literary magazines n=37	Arts magazines n=>20	Literary 500-999 n=12	Literary 1000-1499 n=11	Literary >1500 n=12	Visual arts n=12	Perf. Arts, film and music n=11
Editorial	27%	30%	23%	29%	30%	25%	21%	30%
Production	24%	21%	27%	24%	20%	22%	31%	29%
Distribution	6%	6%	5%	5%	9%	7%	3%	7%
(Cost of sales)	56%	57%	55%	59%	54%	54%	55%	66%
Marketing	10%	10%	9%	10%	12%	10%	11%	4%
Overhead	34%	33%	35%	31%	34%	36%	35%	30%

COSTS	English-language mags	Literary magazines	Arts magazines	Literary 500-999	Literary 1000-1499	Literary >1500	Visual arts	Perf. arts, film and music
Editorial	0%	0%	1%	2%	-3%	5%	2%	-4%
Production	7%	8%	7%	8%	8%	1%	3%	6%
Distribution	0%	0%	2%	0%	-4%	1%	3%	0%
(Cost of sales)	0%	0%	0%	-2%	-1%	4%	-2%	-4%
Marketing	-2%	-3%	0%	-4%	-2%	-3%	-2%	4%
Overhead	2%	3%	1%	6%	3%	0%	2%	1%

Table 16 indicates that certain percentage changes have taken place between 2009 and 2010. In general, editorial costs remain fairly steady with the exception of English-language magazines with circulations above 1,500 where they have increased by five percent. Production costs are up by a substantial seven percent across all titles with the exception of that same category -- literary magazines with circulations above 1,500 where they increased by one percent. Those same titles show the highest cost of sales increase at four percent compared with a zero percent increase in cost of sales over all titles. Distribution and cost of sales have remained fairly constant (as a percentage of costs). Marketing expenditures are down two percent and overheads are up two percent.

French-language titles

For French-language titles, the mean cost of sales, inclusive of editorial, production, and distribution is 61 percent, five percent higher than for English-language titles. For French-language titles the mean editorial costs are 30 percent and the range is fairly large (25% to 37%). For French-language titles production costs are lower (28%) with a range of 25% to 30%.

Average **distribution** costs are between five to six percent for French-language publications. Average **marketing** expenditures 13 percent for French-language titles, five percent more than for English language titles. **Overheads** average 26 percent in the French-language market, 10 percent less than for English-language titles.

COSTS	Périodiques de langue française n=32	Périodiques littéraires n=20	Périodiques des arts n = 12	Périodiques littéraires C<500 n=6	Périodiques littéraires C >500 n=13		Périodiques arts visuels n=6	Périodiques médiatiques et autres arts n=5
Editorial	30%	33%	28%	37%	32%		25%	33%
Production	28%	29%	26%	30%	29%		25%	26%
Distribution	5%	5%	5%	6%	5%		5%	5%
(Cost of sales)	61%	64%	58%	64%	64%		55%	63%
Marketing	13%	10%	15%	12%	10%		16%	13%
Overhead	26%	26%	27%	24%	26%		29%	24%

COSTS	Périodiques de langue française n=30	Périodiques littéraires n=18	Périodiques des arts n = 12	Périodiques littéraires C<500	Périodiques littéraires C500 - 999	Périodiques littéraires C > 1 000	Périodiques arts visuels n=7	Périodiques autres arts n=5
Editorial	30%	33%	28%	36%	31%	34%	26%	35%
Production	26%	25%	27%	25%	27%	22%	27%	27%
Distribution	5%	6%	5%	6%	5%	6%	5%	5%
(Cost of sales)	61%	63%	60%	67%	63%	61%	57%	67%
Marketing	11%	12%	10%	14%	12%	10%	12%	6%
Overhead	29%	26%	30%	22%	25%	29%	31%	27%

COSTS	Périodiques de langue française	Périodiques littéraires	Périodiques des arts n = 11	Périodiques littéraires C<500	Périodiques littéraires C 500+	Périodiques littéraires C 500+	Périodiques arts visuels	Périodiques autres arts
Editorial	0%	0%	0%	1%	1%	-2%	-1%	-2%
Production	2%	4%	-1%	5%	2%	7%	-2%	-1%
Distribution	0%	-1%	0%	0%	0%	-7%	0%	0%
(Cost of sales)	0%	1%	-2%	-3%	1%	3%	-2%	-4%
Marketing	2%	-2%	5%	-2%	-2%	0%	4%	7%
Overhead	-3%	0%	-3%	2%	1%	-3%	-2%	-3%

A comparison between linguistic markets is best undertaken by comparing the percentage values presented in Figures 6 and 7 earlier in this report.

Production, distribution and overhead are higher on the English side, and editorial, cost of sales, and marketing are higher on the French side. While the following is speculative, it would appear that the higher production costs on the English-language side may derive from the larger print runs. Higher distribution costs also on the English-language side could be from the larger circulation, the larger territory, and the higher ratio of subscription purchases. The higher editorial costs on the French-language side could be because the basic costs of producing content are a larger percentage of costs for smaller operations, a surmise that is supported by a comparison of costs of literary magazines of varying circulation levels. The same reasons (i.e., fewer economies of scale) could explain the higher cost of sales and higher marketing costs for French-language publishers. The need for greater general administration in larger operations, along with differential practices in assigning costs, would help explain the ten percent more in overheads of English-language magazines.

Table 19 shows a slightly different pattern of change for French-language titles as compared with English-language titles. Editorial costs are steady, while production costs, led by literary titles, are up, as they are with English-language titles, but by only two, as opposed to seven percent. Distribution costs and cost of sales are effectively unchanged. Expenditures on marketing are down for literary titles, but up for arts titles resulting in an overall upward shift of two percent accompanied by an overall decrease in overheads of three percent led by arts titles.

Publishing data: English-language and French-language titles

Table 20 takes the percentage data over the three years this study has been conducted from Tables 6 and 10, adds other data presented elsewhere, and presents the selected data for quick comparison. The various elements of the publishing data—linguistic content, citizenship of authors, number of issues and pages published, ad revenue, price, circulation and print run, pages per issue, and content pages per issue—are particularly useful when examined in smaller groups within the English-language or French-language title groupings.

	Eng 2010	Eng 2009	Eng 2000	Fr 2010	Fr 2009	Fr 2000
Avg paid circulation	1651	1667	1804	906	883	900
Subscription revenue*	13%	13%	17%	10%	10%	10%
Single copy sales*	4%	4%	5%	4%	4%	5%
Ad revenue*	17%	18%	23%	13%	11%	12%
Earned and donated revenue*	51%	53%	58%	31%	31%	33%
Percentage of cost of sales	96%	92%	98%	51%	51%	58%
Percentage of total revenue	51%			31%		
Cost of sales/all expenses	56%			61%		
CC grants*	21%	20%	24%	21%	22%	28%
CMF grants*	8%	8%		8%	10%	
Provincial grants*	12%	12%	13%	31%	31%	33%
Municipal grants*	8%	8%	5%	7%	6%	7%
All grants*	49%	47%	42%	69%	69%	67%
Cdn authors	87%	91%	87%	90%	90%	91%
Avg. no. pages	104	96	94	105	109	63
Avg. cover price	\$ 9.71	\$ 9.22	\$ 7.32	\$ 9.59	\$ 9.39	\$ 8.13
Issues per year	4	4	4	4	4	4
Print run	2471			1522		
Percent print-run sold	65%	63%	65%	57%	60%	56%
Subscription revenue (avg.)	\$ 21,488	\$ 20,102		\$ 14,541	\$ 13,603	
Advertising revenue (avg.)	\$ 35,575	\$ 32,215		\$ 20,529	\$ 22,781	
Earned income and donations (av	\$ 86,244	\$ 81,477		\$ 43,512	\$ 42,922	

Several elements are noteworthy as follows:

- The relative constancy of the figures;
- The constancy of the relative contribution of earned and donated revenue and grants for French-language titles;
- The increase in paid circulation and ad revenue;
- The continuing 50 percent contribution of earned and donated revenue to cost of sales;

- The slight downward trend for English-language titles of average paid circulation and percentage contribution of ad revenue;
- The steady (approximately 90%) contribution by Canadian authors;
- The slight increase in average number of pages;
- The gradual but relatively small cover price increase;
- The popularity of quarterlies.

Some financial ratios

The ratios presented to each magazine title provide a sense of how much it costs each title to publish and distribute the content of their magazine on a per-page basis. They report, first, what is paid out in writing fees and art and photography fees divided by total number of content pages published. This amount is followed by the amount paid out in writing fees alone (editorial content costs per page). And this amount is followed by production costs per page.

Grants/revenue expresses the share that income from grants represents as a share of total revenue for each title. (This calculation has the effect of making the contribution of each title to the whole equal, rather than weighted by the size of the operation and hence the grant amount.) This ratio, which would be .5 if grants were equal to earned and donated revenue for each title, differs considerably between groups. Overall for English-language print titles it is .58 and for French-language titles it is .75. Said somewhat differently, because grants account for relatively more of the revenue for smaller circulation titles and also for literary titles in comparison with arts titles, and there are many such titles and fewer large ones, the ratios are higher.

Cost per printed copy (to the publisher) divides total expenses by the print run multiplied by number of issues per year. Here we see substantial variation in arts compared to literary titles and in titles that use colour compared with those that publish in black and white only.

The institutional surcharge is the extra charge applied to institutional subscriptions over individual subscriptions (based on the notion that an increased number of users access library copies) expressed as a percentage of the cost to an individual subscriber. It appears that it is being used to good effect by certain titles (45 of 62 English-language titles and 25 of 32 French-language titles).

The final four ratios presented in Table 21 are meant to provide a sense of how much each page costs to produce, the cost per page per purchaser (including subscribers and nonsubscription purchasers) and the price per page paid by an individual subscriber. The first two ratios should be of interest to publishers. They are the cost per page, with the percentage given in terms of all expenses taken into account, and the content costs per page with the percentage given as a portion of cost of sales. The latter two might be of more general interest. For example, average cost of sales for each page per purchaser for English-language titles is \$0.27. The price each consumer pays for that page is \$0.09. For French-language titles the comparative figures are \$0.38 and \$0.09 respectively. Thus, overall, for English-language titles, the purchaser is paying one-third of the content generation costs (cost of sales) with two-thirds being subsidized by ads, donations, grants, and other earned revenue. For French-language titles, the purchaser is paying under one-quarter of the content generation costs (cost of sales) with three quarters being subsidized by ads, donations, grants, and other earned revenue.

	English-language		French-language	
	As a share of all expenses	COS--based	As a share of all expenses	COS--based
Cost per page to publisher	\$474.38		\$424.25	
Content cost per page to publisher		\$347.94		\$296.05
Cost per content page per purchaser		\$0.27		\$0.31
Price paid per page by an individual subscriber	\$0.09		\$0.09	

E-title analysis

Nine English-language e-titles applied for grants from the Canada Council in 2011. Six had received grants in 2010. As a group, through fund-raising and donations, the nine titles acquired \$44,581. Their total (not average) earned income was \$61,356. Per title, that is \$7,110. Activity occurred in ad sales and other revenue. Combined, the revenue of the group is \$102,256: per title it is \$11,362.

The six recipients of Canada Council grants received a total of \$37,900 (an average of \$6,316 each). Total reported grant income for the group was \$40,900 (average \$6,816). Further support was mainly acquired in the form of municipal grants.

Total editorial costs for the group were \$63,671; production costs were \$20,576; circulation costs were \$2,404; and marketing promotion and publicity costs were \$4,514 for a total cost of sales of \$91,165. Overhead expenses were \$21,124 and total expenditures were \$112,289. These data are visually depicted in Figure 8.

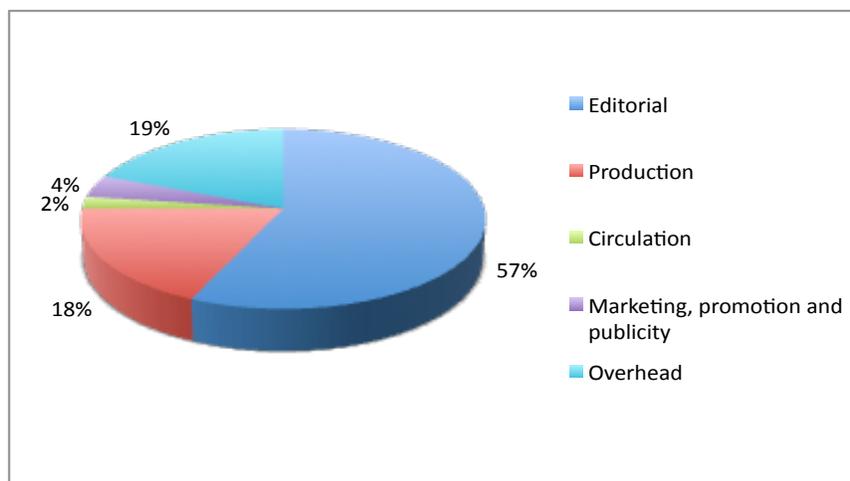


Figure 8 Expenditures by English-language e-titles

The number of visits to the nine English-language sites for the year reported was 762,300. The number of page hits per year was 4,292,145.

The above data are presented in tabular form in Table 22.

Revenue	Total Amount	Avg. per title
Fundraising and donations	\$ 44,581	\$ 4,953
Total earned and donated income	\$ 61,356	\$ 6,817
Canada Council grants	\$ 37,900	\$ 4,211
Total grants	\$ 40,900	\$ 4,544
Total revenue	\$ 102,256	\$ 11,362
Expenditures		
Editorial	\$ 63,671	\$ 7,075
Production	\$ 20,576	\$ 2,286
Circulation	\$ 2,404	\$ 267
Marketing, promotion and publicity	\$ 4,514	\$ 502
Cost of sales	\$ 91,165	\$ 10,129
Overhead	\$ 21,124	\$ 2,347
Total expenditures	\$ 112,289	\$ 12,477
Usage		
Site visits in year	762,300	84,700
Page hits in year	4,292,145	476,905

Because there were only four titles reporting, nothing quantitatively explicit can be said about French-language e-titles except that patterns of support, expenditures, and grant income parallel English-language titles and both revenue and expenditures are in the order of two-thirds English-language values. Notably, the four French-language titles exceeded the number of visits and page hits of the English-language sites by a substantial margin.

It is interesting to note the support of municipalities and the Council, but not other funding bodies.

Conclusion

There are a number of positive signs in Canadian cultural magazine production that are worthy of note. First is its calculated size at just under \$15 million. The modest increase in number of titles, in the number of subscribers, in the number of nonsubscription copies purchased, and in the emergence of e-titles, all of which rise to the second noteworthy element, a greater than 10 percent growth in 2010 figures over 2009. Certainly such data do not suggest a sector in decline, with or without e-titles. The continuing support of the Canada Council, provinces, municipalities, the Canada Magazine Fund, now the Canada Periodical Fund, and private donors all point to continuing, if not growing recognition of the value of the sector. (The wisdom of limited eligibility and/or appropriately designed supportive programs for all members of the sector by the Canada Periodical Fund is perhaps questionable.) Also notable is the continuing advantage of purchasers who, in general, pay at most one third of the costs of content production (excluding overheads). In these times of migration to the web, for print-based cultural magazines to be showing growth, alongside the emergence of e-titles, is a considerable achievement.

And this is all bean counting. Various studies have established the social, informational, inspirational, and entertainment value of such titles, to say nothing of the sense of personal and social purpose it gives to those who contribute content or engage in magazine production. Canada's willingness to make possible this mode of cultural production deserves and receives praise from various quarters around the world. Canadian cultural magazine production can be traced back to this country's beginnings in Confederation: they have become part of Canada's heritage. As is so apparent in the London Olympics (2012), independent of its intrinsic value, heritage has value in building community and cohesiveness amidst social diversity. It's the imagination that matters. Cultural magazines deserve the place they have found as has been documented in this study. They contribute to a better Canada.