Fashion Design Council of Canada

The Fashion Design Council of Canada (FDCC) wishes to contribute to Minister Joly's current review of cultural policy in Canada. The FDCC believes that fashion should be treated as an important cultural industry. The FDCC has been a proud supporter and promoter of the Canadian fashion industry for over fifteen years

The FDCC, originally Designers Ontario, was founded in 1978 and rebranded in 1999, as a national NGO to represent the fashion designer nationally. The Board was comprised of fashion industry veterans and chaired by Joe Mimran. The current President of the FDCC is Robin Kay. The main project of the FDCC was to build and operate Canada Fashion Week to represent and promote Canadian designers during a bi-annual, week-long event. The event was sold in its 12th year, 2012, to IMG Global, who owned and operated 30 fashion weeks around the world.

The Fashion Industry – by definition, a creative industry - is an important source of jobs and economic growth. The report "Made in Canada: The Direct Economic Impact of Canada's Fashion Design Industry", prepared by Nordicity, found that in 2014, the fashion design industry employs more than 12,800 Canadians and contributes some $790 million in GDP to the Canadian economy. A copy of the report is attached.

In almost every industrialized country, the fashion industry is supported by national governments as a vehicle for economic growth and cultural identity. For example, in 2015, the Italian government announced plans to increase funding for the fashion industry from $5.2 million euros annually to $40 million euros. For its part, the French fashion industry has successfully harnessed young talent through the Young Fashion Designers initiative – a public-private partnership started in 2012 – which secures loans of up to $100,000 euros for emerging designers to produce their collections.

In Canada, outside Quebec, there is almost no support for the fashion industry. Many of Canada's most talented designers, unlike their counterparts in Europe, receive little government recognition or financial assistance. Canadian designers are highly educated and run design businesses built on innovative designs and quality manufacturing that leverages the best of traditional methods and innovation with new digital technologies. With adequate support and leadership, Canada could to become a major player on the fashion world stage. The recent international media attention around Sophie Grégoire Trudeau wearing Canadian designers is an exciting opportunity to capitalize on.

The FDCC suggests that:

- The fashion industry be recognized as a cultural industry, like TV, film, and music;
- The Government of Canada support and promote the fashion industry domestically and abroad;
- The Government of Canada invest in the fashion industry in order to strengthen the economic competitiveness of the sector

This submission includes a statement from the FDCC, as well as a number of supporting documents from government, industry and academia (see: Appendix 1).

Thank you for your consideration.

Best Regards,

Robin Kay

Ms Robin Kay
Founder, Toronto Fashion Week
President, Fashion Design Council of Canada
552 Wellington St. West, Unit 1302
Toronto, Ontario, m5v2v5

Fashion Design Council of Canada

Supporting Signatures:

Joe Mimran, Founder Club Monaco, Joe Fresh and FDCC Board Chair

Jeanne Beker, Former Host of Fashion Television, Style Editor at The Shopping Channel; Journalist

Barb Atkin, Former VP Fashion Direction, Holt Renfrew

Suzanne Timmins, Senior Vice-President and Fashion Director Hudson’s Bay Company

Vicky Milner, President, CAFA – Canadian Arts & Fashion Awards

Ruth Promislow, Bustle Clothing

Shawn Hewson, Bustle Clothing

Mel Ashcroft, Co-Founder, THE COLLECTIONS

Dwayne Kennedy, Co-Founder, THE COLLECTIONS

Brian A. Richards, Co-Founder, THE COLLECTIONS

Glen Baxter, Media/Journalist

Laurie Belzak, Sector Development Officer, Fashion/Apparel & Design at Toronto Economic Development

Marilyn Brooks, Artist and Fashion Designer

Taylor Brydges, Doctoral Student at Uppsala University

Anjali Patel, Fashion Lawyer & Trademark Agent

Henry Calderon, Henry Calderon Consulting

Ivy Chen, Founder and CEO of JOLIE

David Dixon, Fashion Designer

Kelly Drennan, Founding Executive Director, Fashion Takes Action

Chloe Gordon, Co-Founder, Beaufille

Parris Gordon, Co-Founder, Beaufille

Hans Koechling, Creative Director, THE IMAGE IS / L’IMAGE EST

Ilana Landsberg-Lewis, Executive Director, The Stephen Lewis Foundation

Shauna Levy, President and CEO, The Design Exchange

Fashion Design Council of Canada

Kim Newport-Mimran, Creator, PINK TARTAN

Sarah Marantz, Public Relations & Media Manager, PINK TARTAN

Marilyn McNeil-Morin, Chair, Fashion Studies, George Brown College (higher)

Kirsten Mogg, GYLD Collective

Robert Ott, Associate Professor, School of Fashion, Academic and Executive Director, Fashion Zone and The Joe Fresh Centre, Director, The Suzanne Rogers Fashion Institute (higher)

George Pimentel, Photographer

Sarah Power, Founder, INLAND

Lynda Prince, Board Member, FDCC

Laura Siegel, Designer, Laura Siegel Collection

Jay Strut, JAYSTRUT.COM

Richard Stursberg, Entertainment Executive

Adam Taubenfligel, Co-Founder, Triarchy

Ania Taubenfligel, Co-Founder, Designer, Triarchy

Peter Lyman, Senior Partner, Nordicity

Julie Whelan, Manager, Nordicity

This submission – previously submitted to the Ontario Ministry of Tourism, Culture and Sport - includes:

1) Cover Letter
2) Detailed Proposal
3) International Fashion Industry Comparisons
4) Nordicity Study, “Made in Canada: The Direct Economic Impact of Canada’s Fashion Design Industry”

PROPOSAL: OFFICE OF THE HONOURABLE MINISTER JOLY, MINISTER OF CANADIAN HERITAGE

This proposal is submitted by The Fashion Design Council of Canada (FDCC).

SUBMISSION:

The Government of Canada has embarked on an ambitious review of cultural policy in Canada.

This Proposal submits that fashion, as a pillar of economic and cultural contribution in Canada, should be officially recognized as cultural industry, and its inclusion should form part of the Ministry's cultural strategy. More specifically, this proposal submits that the Ministry should support and promote the fashion industry in Canada in the same manner as it supports and promotes other cultural industries, through access to the existing, or through the creation of new, cultural industry funds.

Canada's fashion industry nurtures creativity and innovation, supports diversity and inclusiveness, contributes the quality of life and economic well-being of Canadian, and engages youth to create, consume and participate in Canadian culture. The FDCC, a veteran organization in supporting and promoting designers in Canada, and in creating economically successful cultural product, lends accountability and credibility to the industry's ability to maximize the public value created through its available resources.

FASHION IS A CREATIVE AND CULTURAL INDUSTRY

Canada's fashion industry is squarely in the business of production and distribution of cultural and creative goods and services. However, the industry rarely is included in definitions of the cultural and/or creative industries, and as a result, cannot access the policy and funding support needed to grow this sector.

Creativity and Innovation:

It is the essence of the fashion industry to create; designers continuously develop new concepts and collections and the fashion industry constantly challenges the way we look at aesthetics, style, beauty, gender, through the design of fabrics, materials, wearable technology in their work displayed to the industry and to consumers.

Fashion designers are known for their use of advanced technology in creating and disseminating their ideas; 3-D printing, multi-concept use of materials, CAD textile, pattern and garment design, wearable technology, and fashion holograms, viral videos and other technology-driven campaigns are widely reported, copied and admired. Leading massive population to retail to museums.

Diversity and Inclusiveness:

Fashion design is inherently diverse, and designer collections and creations serve to showcase the wealth of our cultural diversity and creativity. Canada’s fashion industry provides designers, stylists, photographers, creative directors, graphic designers and artistic editors an opportunity to create, innovate, and exchange ideas, images and experiences that are uniquely connected to their own cultural experiences and heritage.

The influence of First Nations, Metis and Inuit Peoples on the fashion industry in Canada is considerable and well respected, and is recognized as an important asset to our fashion identity. In 2004, FDCC hosted FashionNation - an Aboriginal designer showcase at Toronto Fashion Week - which served as a platform for the concurrent launch of the Canadian Aboriginal Design Council. The FashionNation runway show was particularly remarked upon by the iconic Missoni family of Italy who at the same time showcased their own 50-year retrospective on the runway at Toronto Fashion Week in support of the city of Toronto during the SARS epidemic.

Fashion is an intrinsically cultural and inclusive product. Not surprisingly, fashion exhibitions and retrospectives continue to be prominently featured in numerous museums and cultural centers. Fashion is also inextricably bound to other cultural industries and forms of the arts - dance, music, film, magazine publishing, etc., and is expressed and appreciated by Canadians of all ages and backgrounds.

Renowned Canadian musician, music producer and music executive Kardinal Offishall comments on his personal experience with the intersection of the fashion industry with existing culture stakeholders, music and entertainment: *"I knew I was a king and musically I was a king but I wasn't projecting that through my fashion. So I collaborated with designers and stylists so that my overall aesthetic matched my music. Fashion is an extremely important piece of the puzzle for musicians."*

Shauna Levy President and CEO Design Exchange notes**:** “*(FDCC) represents Canada’s (Fashion) Designers. As (fashion) falls within the broader context of design, we are also in concert with the efforts being made by all designers and design institutions in the province to secure funding options for designers representing all disciplines. Design is clearly the bridge between culture and commerce. If the federal government would like to maximize both the social and economic benefits of culture, it is only logical for design to be supported within its cultural policy.”*

Youth and Cultural Engagement:

There are a number of fashion centered post-secondary educational institutions, which are significant markers of economic activity the fashion industry in Canada, all of which offer courses and programs to prepare students for careers in the fashion industry. Federal support should resonate with and inspire these young people to pursue careers where they can continue to create, consume and participate in Canadian culture.

Marilyn McNeil-Morin, Chair of Fashion Studies at George Brown College agrees, noting: *"Youth will be motivated to enter and apply their talent and energy toward building successful careers and contributing to a vibrant cultural economy if they believe there is opportunity for them."*

Support for the Industry:

Unfortunately, the support afforded to nurture the talent that drives this industry is currently at a minimum. Many of Canada's most talented designers don't have the support and resources to continue, and the failure to recognize and support the cultural product of our industry results in a failure to realize the country's full cultural wealth. Even without financial support the very endorsement and recognition inclusion provides cannot be measured.

Former designer, fashion business owner and FDCC President **Robin Kay** has been mentoring and working with designers since 1999 and has had a front row seat to the challenges Canadian designers face: *"Fashion designers are true artists, and they are cultural contributors. Yet so many of them don't have the resources to continue to create. The FDCC's mandate includes fostering the creativity of young designers, helping them to create, innovate and inspire others of all ages and backgrounds. Unsupported however, so much of this creativity goes unexpressed, and unappreciated, and leaves our country as businesses fail to survive"*

The addition of the fashion industry to the list of the Ministry's enumerated and officially recognized cultural industries – making fashion part of our cultural strategy - is needed in order to nurture our national artistic and creative talent.

CASE STUDY: THE ECONOMIC AND SOCIAL IMPACT OF ONTARIO'S FASHION INDUSTRY

As a case study, Ontario's fashion industry represents a dynamic and expanding segment of the provincial economy. In addition to contributing to the province's cultural wealth and quality of life, Ontario's fashion industry contributes significantly to provincial economic wealth through **job creation**, **cultural tourism**, and by **attracting investors and creative workers** to the province.

NORDICITY Study:

Economic statistics lend considerable weight to this observation. In a report commissioned and paid for by the FDCC by ***Nordicity:*** **Made in Canada: The Direct Economic Impact of Canada's Fashion Design Industry**, Canada's fashion design industry demonstrates significant economic impact in the Province.

According to Nordicity's report, the fashion design industry in Canada alone, employs more than 12,800 Canadians and contributed some $790 million in GDP to the Canadian economy in 2014. Additionally, other sources place a national export value of approximately $2.5 Billion in 2014, Ontario's fashion industry exports are estimated at approximately $1 Billion annually.

The data provided by Nordicity, while conservative, is a useful starting point for a more comprehensive national study to isolate and understand the economic impact of the fashion sector. More over the process in which this data is gathered will prove useful insight for Statistics Canada in their efforts for more meaningful 'cultural satellite accounts' within the available employment and GDP statistics. FDCC is equipped to guide Nordicity in this engagement, particularly in expanding this study to the national level.

Beyond the core of the fashion design industry - the focus of Nordicity's research and reporting - the fashion industry has significant commercial impact in a number of other connected sectors. The magazine publishing, film, television, advertising, marketing and public relations, modeling and beauty industries, etc. are all impacted and supported by the fashion industry.

Canada's Fashion Industry – A Sound Investment:

Though the fashion industry is clearly a strong economic driver in the country, the industry and its constituents are not reaching their full potential. Many of Canada's most successful designers have left the country to explore opportunities outside of this market, due to the financial constraints and lack of support for the national fashion industry.

According to **Shawn Hewson, Creative Director and Founder of Bustle Clothing:** *"At Bustle, we design and produce 100% of our garments in Canada, and we spend dollars in the country - on design and administrative staff, cutters, sewers and pattern-makers, printers and graphic designers, set designers, models, public relations staff, sound and lighting - this list goes on. Fashion is a business which creates an incredible cultural and economic sprawl. However, the lack of Governmental support and funding makes both growth and export extremely difficult." Funds supporting local production, growth, and export initiatives would allow our - and many* *other business - to move to the next level, and to become globally competitive. As a mentor to younger designers who are struggling to stay in business, I see so much wasted talent. We need to nurture this talent. If we don't it will either fizzle, or it will flourish elsewhere."*

Financial assistance and endorsement are needed in order to make fashion design, production, and export feasible in this country. Without this support, future creators will not be inspired to pursue careers in a creative, and very productive industry in our very own province and country. The federal review of Canada's Culture Strategy, must include a further assessment (along with the FDCC/Nordicty data) of the fashion industry, and a recognition of this industry's contribution to the Province's cultural economy.

Quebec: A Model of Successful Investment

The Province of Quebec has taken a decidedly supportive approach to the fashion industry in the Province, resulting in notable increases in both cultural cluster growth and export of cultural product.

According to statistics published in Now Magazine on November 30th, 2015, the Province of Quebec has provided more than $85 Million in in grants to fashion designers and events, since 2005. Not surprisingly, the Quebec government has assisted in doubling employment in the design industry in that Province, with numbers jumping from 2,600 in 2005, to 5,000 in 2006. It is also not surprising, given Quebec's commitment to supporting its fashion industry, that Ontario has been eclipsed by Quebec as the third largest center for design in North America. ***(Statistics Canada, 2006 census data)***

FDCC Vision:

The FDCC, established in 1999, is a non-government, not-for-profit national association that works to brand, promote and mobilize fashion designers nationally and globally. The FDCC has built an international fashion event that has become the calling card for designers, media, sponsors, and industry to gather collectively within the international fashion calendar to attend the season's collections.

FDCC's success in building WMCFW is an example of its ability to create and an economically and culturally successful enterprise, providing an increasingly valuable ROI to its investors and stakeholders. The FDCC also has a proven track record in identifying and developing designers into the thriving creative entities which supported and helped to grow WMCFW.

Public Value and Accountability

The FDCC and its board members and advisors (who include Robin Kay, Joe Mimran, Shawn Hewson, Lynda Prince, and Ruth Promislow) have significant experience - design, business, financial, legal and otherwise - relevant to maximizing the public value and accountability of the fashion industry.

As an organization with a proven history of success in designer vetting and editing, a well-informed understanding of the designer arc, including related financial models and business opportunities and constraints, FDCC is well positioned to act in the capacity of a cultural umbrella. FDCC is equipped - and it is in accordance with its mandate - to assist organizations which are seeking federal assistance that may be made available through a revised and refreshed Culture Strategy that includes the fashion industry.

FDCC Board Chairman Joe Mimran describes the FDCC's mandate:

"To create an association to promote Canadian fashion talent both domestically and internationally. To rally the support of local, provincial and federal government by recognizing fashion design as a cultural endeavor."

CONCLUSION

The fashion industry – by definition, a creative industry - is an important asset in fostering the attractiveness of Canada's communities, through the enhancement of the country's economic and cultural wealth. At the core of this industry is the fashion designer.

Canada's fashion industry contributes significantly to Canada's economic wealth through job creation, tourism and related expenditures, local and international press, and by attracting investors and creative workers to the country.

The Ministry of Heritage has an opportunity to create a cultural legacy, by formally recognizing the fashion industry in as a cultural industry. Including fashion in this Cultural Strategy will benefit cultural creators, the country, and its constituent culture consumers.

We, of the FDCC thank you for the acceptance and review of our submission and look forward to meeting together to discuss and deploy.

Fashion Design Council of Canada

552 Wellington St West, Unit 1302 Toronto M5V 2V5 416 888 6486

Fashion Design Council of Canada

International Fashion Comparison

UK

- The UK Department for Culture, Media and Sport views fashion as a creative industry[i]
- Strongly supported by the British Fashion Council[ii]
    - Fashion Trust, set up 2011 to support British designers through financial grants, mentorship and graduate traineeship worth £300,000 (shared between participants), the BFC/Vogue fund £200,000 to one designer and the BFC/GQ menswear award £150,000
- UK and EU support for initiatives such as London Fashion Week: UK Department for International Trade, EU European Regional Development Fund, Mayor of London[iii]

Italy

- "The country's deputy minister of economic development, Carlo Calenda, has said the government plans to channel 40 million euros, or $45.5 million at current exchange, into the nation's fashion in 2015. That's up from an annual average of 5.2 million euros, or $5.9 million, for the past five years. The figure, revealed at last month's men's trade show Pitti Uomo in Florence, is even more than the 36 million euros, or $41 million, that was originally earmarked for 2015". (WWD report 2015[iv])
- National Chamber for Italian Fashion runs a number of programs, focusing on new designers[v]

France

- The Fédération Française de la Couture, du Prêt-à-Porter des Couturiers et des Créateurs de Mode was founded in 1973 and is comprised of three trade associations[vi]. Works with government to:
    - Hosts bi-annual showcase ("Designers Apartment) to increase visibility during Paris Fashion Week
    - Investment Fund "Mode et Finance" (Banque Publique d'Investissement (or Bpifrance) is France's state-owned investment bank) which to support young firms
    - A fund managed by IFCIC (l'Institut pour le Financement du Cinéma et des Industries Culturelles) guarantees short term bank loans up to $300,000 euros, with grants totalling $3.4 million euros
    - ANDAM (Association Nationale pour le Développement des Arts de la Mode) prize is worth 90,000 euros and the LVMH Prize worth 300,000 euros plus mentoring[vii]

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[i] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/534305/Focus_on_Employment_revised_040716.pdf
[ii] http://www.britishfashioncouncil.com/Business-Support
[iii] http://www.londonfashionweek.co.uk/Sponsors
[iv] http://wwd.com/business-news/business-features/italian-government-steps-up-fashion-funding-8233793/
[v] http://www.cameramoda.it/en/new-brands/
[vi] http://www.modeaparis.com/en
[vii] https://www.businessoffashion.com/articles/intelligence/new-life-in-paris

Made in Canada: The Direct Economic Impact of Canada's Fashion Design Industry

Final Report

December 7, 2015

Property of

Fashion Design Council of Canada (FDCC)

Submitted by

Nordicity

1. Introduction

Faced with a frustrating lack of data that isolates the vital economic impact of the Fashion Design industry, the Fashion Design Council of Canada (FDCC) commissioned Nordicity to assess the direct economic impact of the Fashion Design industry in Canada and Ontario.

While some research, including the Apparel Connexion's *Labour Market Information* studies, provide overviews of all employment across the apparel sector *as a whole*, there is little available that examines the impact of the Canadian Fashion Design industry specifically. In other words, there has been no analysis to date which isolates the role of the fashion designer and examining the employment and impacts associated with that role. The analysis in this report is based on cross-tabulations of existing data and estimates the direct contribution of the Fashion Design industry to the Canadian economy as a creator of jobs and generator of Gross Domestic Product (GDP). The results, described in more detail throughout the report, estimate conservatively that in 2014:

- Canada's core Fashion Design industry, that is to say fashion designers working in fashion design services, employed **3,240 workers**;
- Canada's non-core Fashion Design industry, that is to say fashion designers working in retail, distribution and manufacturing, employed an additional **3,960 workers**;
- Added to that, Canada's Fashion Design industry generated employment for an estimated **5,620** support and administrative workers.

In total, the results show that the Fashion Design industry employs more than **12,800** Canadians and contributed some **$790 million** in GDP to the Canadian economy. Of those totals, Ontario accounted for approximately **37%** of jobs and of GDP.

It is important to keep in mind that these figures only account for the industry's direct impact and *do not* include the many indirect, induced and spillover impacts created by Fashion Designers and the Fashion Design Industry. For example, these figures *do not* include the significant footprint of Canada's Fashion Design programs in post-secondary institutions, nor the portion of the other cultural and media industries which relate to Fashion Design, nor Canada's Fashion Week activities. The results *do* provide, however, a credible baseline on which to base an understanding of the significant direct impact of the Fashion Design industry in Canada. As such, the FDCC hopes that this study will provide a foundation for future research, showcasing Fashion Design's contribution to Canada and demonstrating the business case for investing in and supporting the development of the industry.

2. Economic Impacts

In this section Nordicity outlines its approach in more detail and reports the results of Fashion Design industry's employment, labour income and GDP impacts.

2.1 Approach

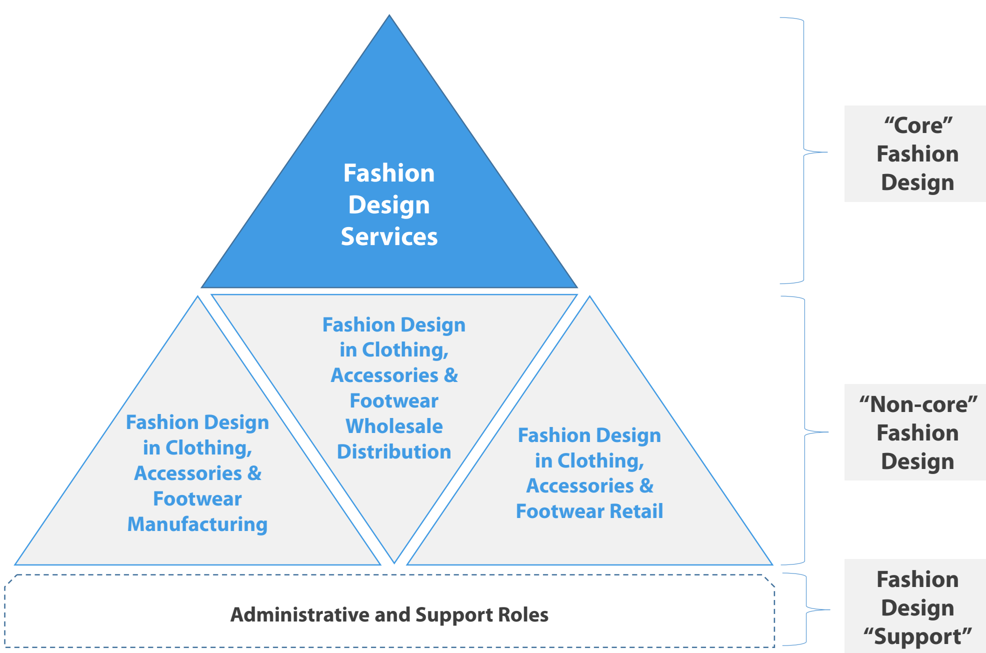
Nordicity's approach to developing an estimate of the Fashion Design workforce relied on isolating the fashion designer from within existing occupation and industry classifications found in the 2011 National Household Survey (NHS): the North American Industry Classification System (NAICS) and the National Occupational Classification (NOC) System.

For the purposes of this report, Nordicity defines the "fashion designer" role as inclusive of the following:

- Designers of clothing, accessories and footwear;
- Creators of master patterns for clothing, accessories and footwear; and,
- Artisans and craftspersons involved in the manufacturing of clothing accessories and other fashion-related products.

The figure below shows the reporting categories adopted for this report and how the employment flows from the fashion designer. More detail on each category is provided below and in Appendix A.

Figure 1 Direct Employment Impact Flowing from Fashion Design



- **Fashion Design Services, or "Core Fashion Design":** The core segment of the Fashion Design industry includes fashion, fabric and clothing designers, couturiers, and dress and garment patternmakers who work in the fashion design services industry.
- **"Non-core" Fashion Design:** The "non-core" segment of the Fashion Design industry includes fashion designers (as defined above) who work in the manufacturing[1], wholesale distribution[2], and retail[3] of clothing, accessories and footwear. In other words, this category includes fashion designers working in industries outside of core Fashion Design. Anecdotally speaking, we know that many trained fashion designers may go on to work in key roles in retail and department stores. This category is significant to Fashion Design's overall employment footprint.
- **Administrative and Support Roles in Fashion Design:** This segment of the Fashion Design industry includes the employment in administration and various business support functions that are associated with the fashion design value chain.

The main challenge of the current classifications is that they each include more roles and activities than those associated directly with Fashion Design. Nordicity took a two-step approach to isolating the Fashion Design footprint within the relevant categories. First we commissioned a special tabulation of the NHS, which allowed us to cross-tabulate occupations and industries relevant to the fashion designer. In the case of each industry and occupation, we assessed the degree to which the total employment would be comprised of Fashion Design workers.

Second, when we were limited by existing approaches to industry and occupational classifications (namely the NAICS and NOC system), we relied on additional sources to allow us to further disaggregate employment data, and address any remaining overlaps by removing any non-relevant workers. Nordicity drew on data from Statistics Canada North American Product Classification System (NAPCS)[4] on merchandise imports and exports in order to derive industry growth rates. We turned to Nesta's Dynamic Mapping work for a relevant ratio of Administrative and Support to Fashion Design employment.

*For more information on Nordicity's **Approach and Methodology** for this report please consult Appendix A which provides further details on our source data, assumptions and calculations.*

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[1] Manufacturing of clothing, accessories, footwear, and other fashion-related products, including cut and sew clothing manufacturing, clothing accessories (e.g., gloves, scarves) and other clothing manufacturing, footwear manufacturing, and other leather and allied product manufacturing (e.g., handbags).

[2] Wholesale distribution of textiles, clothing, clothing accessories, footwear, piece goods, notions and other dry goods.

[3] Sales of clothing, accessories and footwear at retail or department stores. Other creative design roles outside of fashion design, such as window display designers, are not included here.

[4] Merchandise imports and exports, customs and balance of payments basis for all countries, by seasonal adjustment and North American Product Classification System (NAPCS)

2.2 Employment

Based on our tabulations, the Fashion Design industry employed a total of **12,820 people across Canada** in 2014, approximately **37% (4,750)** of which worked in **Ontario**. The breakdown of this total employment across the three segments of the Fashion Design industry is presented below.

Table 1 Employment in the Fashion Design Industry

Employment Category	Employment in Ontario	Share Ontario (%)	Employment in Canada	Share Canada (%)
Core Fashion Design	1,360	42%	3,240	100%
Non-core Fashion Design	1,310	34%	3,890	100%
Subtotal: Fashion Design	**2,670**	**37%**	**7,200**	**100%**
Administrative and support roles	2,080	37%	5,620	100%
Total employment	**4,750**	**37%**	**12,820**	**100%**

Source: Nordicity estimates based on data from Statistics Canada, Job Bank and Nesta.

Keep in mind that the employment captured in Table 1 above focuses *solely* on the fashion designer and does not include the overall or general employment in clothing retail or the clothing manufacturing sectors in Canada. The table below presents the Ontario and Canadian employment in Clothing, Accessories and Footwear Manufacturing and Retail. For context, the sizeable total clothing, accessories and footwear retail sector employs over 360,000 workers in Canada.

Table 2 Clothing Manufacturing and Retail Overall Employment in Canada (2014)

Employment Category	Ontario	Canada
Clothing, Accessories and Footwear Manufacturing (Total)	**4,836**	**20,195**
Cut and Sew Clothing Manufacturing (NAICS 3152)	3167	15182
Clothing Accessories and other Clothing Manufacturing (NAICS 3159)	888	2419
Footwear Manufacturing (NAICS 3162)	282	1678
Other Leather and Allied Product Manufacturing (NAICS 3169)	499	916
Clothing, Accessories and Footwear Retail (Total)	**145,449**	**361,677**
Clothing and Clothing Accessories Stores (NAICS 448)	88,797	226,836
Department Stores (NAICS 4521)	56,652	134,841

Source: Survey of Employment, Payroll and Hours (SEPH) CANSIM Table 2810024. N.B. The figures in Table 2 cannot be compared directly to the others presented in this report.

2.3 Labour income

Canadians working in the Fashion Design industry earned **$576.5 million** in **labour income** in 2014 (i.e. employee salary and wages):

- Of this total, **Fashion Design** workers (both “core” and “non-core”) accounted for **$280.6 million**, with an average salary of **$38,971**.
- **Administrative and support** workers employed in Fashion Design accounted for **$230.8 million**, with an average salary of **$41,069**.

Ontarians working in the Fashion Design industry earned **$187.6 million** in **labour income** in 2014 (i.e. employee salary and wages):

- Of this total, **Fashion Design** workers (both “core” and “non-core”) accounted for **$100.3 million**, with an average salary of **$37,554**.
- **Administrative and support** workers employed in Fashion Design accounted for **$87.3 million**, with an average salary of **$41,980**.

2.4 Gross Domestic Product (GDP)

The Fashion Design industry generated **$792.7 million** in **GDP** for the Canadian economy in 2014:

- As stated above, this GDP impact consisted of $511.4 million in salaries and wages earned by fashion designers and other personnel, with the remaining **$281.3 million accounted for by gross operating surplus and mixed income** (i.e. operating profits and entrepreneurs’ income).

The Fashion Design industry generated **$290.8 million** in **GDP** for the Ontario economy in 2014:

- As stated above, this GDP impact consisted of $187.6 million in salaries and wages earned by fashion designers and other personnel, with the remaining **$103.2 million accounted for by gross operating surplus and mixed income** (i.e. operating profits and entrepreneurs’ income).

The breakdown of this GDP impact across the three segments of the Fashion Design industry is presented in the table below.

Table 3 Fashion Design Industry GDP in Ontario and Canada

Industry Segment	GDP in Ontario ($M)	Share Ontario (%)	GDP in Canada ($M)	Share Canada (%)
Core Fashion Design	79.0	41%	192.8	100%
Non-Core Fashion Design	76.4	32%	242.1	100%
Subtotal: Fashion Design	**155.4**	**36%**	**434.9**	**100%**
Administrative and support	135.3	38%	357.8	100%
Total GDP Impact	**290.8**	**37%**	**792.7**	**100%**

Source: Nordicity estimates based on data from Statistics Canada, Job Bank and Nesta. Numbers may not sum due to rounding.

A Approach and Methodology

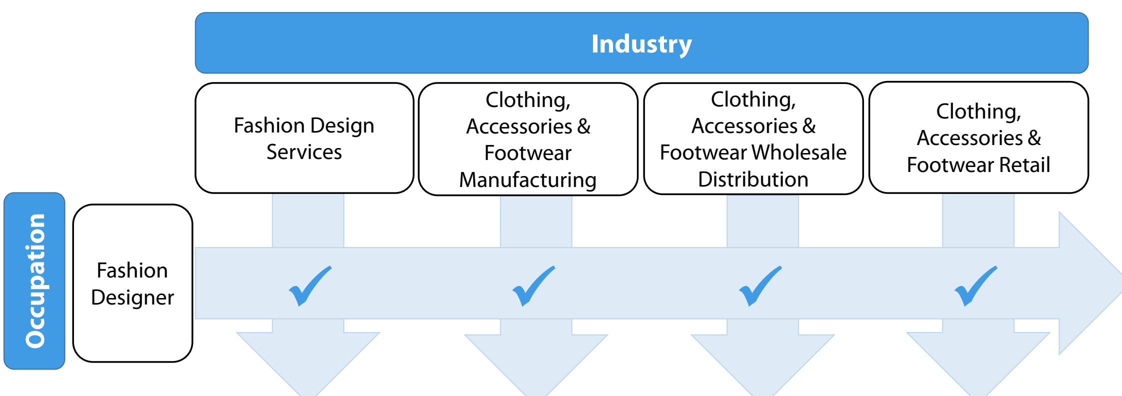
This appendix details Nordicity's approach and methodology for quantifying the direct economic impact of Canada's Fashion Design industry.

- Cross-tabulation approach
- Relationship between "Core" and "Non-Core" and Support/Administrative Employment
- Applying a Growth Factor
- Labour Impact
- Gross Domestic Product

A.1 Cross-tabulation approach

Our approach to developing an estimate of the Fashion Design workforce relied on cross-tabulations of employment from the 2011 National Household Survey (NHS), and isolation of the various industry and occupation codes according to the North American Industry Classification System (NAICS) and the National Occupational Classification (NOC) System in which fashion designers are assumed to be counted. In the case of each industry and occupation, we assessed the degree to which the total employment would be comprised of Fashion Design workers. We took a series of steps in order to deduce the fashion designer footprint in each category and here show the research to support our deductions.

Exhibit 1 Cross-tabulation Approach



The visual above shows a high-level representation of our cross-tabulations and a sample of the occupation and industry categories adopted for this report. The table below details the employment in Canada's Fashion Design Industry in 2010 and in 2014. The steps taken to derive a growth factor are described in Sub-section A.3.

Nordicity

Table A - 1 Employment in Fashion Design in Canada 2010-2014

Occupation	Industry	Theatre, fashion, exhibit and other creative designers (NOC 5243)		Patternmakers – textile, leather and fur products (NOC 5245)		Artisans and craftspersons (NOC 5244)	
		2010	2014	2010	2014	2010	2014
Fashion Design Services	Specialized Design Services (NAICS 5414)	3000	3,130†	90	110	N/A	N/A
Clothing, accessories and footwear manufacturing	Cut and sew clothing manufacturing (NAICS 3152)	715	840	295	350	65	80
	Clothing Accessories and other Clothing Manufacturing (NAICS 3159)	70	80	0	0	0	0
	Footwear Manufacturing (NAICS 3162)	0	0	0	0	0	0
	Other Leather and Allied Product Manufacturing (NAICS 3169)	35	40	0	0	60	70
Clothing, accessories and footwear wholesale-distribution	Textile, clothing and footwear wholesale trade and distribution (NAICS 4141)	690	810	N/A	N/A	N/A	N/A
Clothing, accessories and footwear retail	Clothing and clothing accessories stores (NAICS 448)	804	940††	165	190	N/A	N/A
	Department Stores (NAICS 4521)	475	560	0	0	N/A	N/A

Note: Zeros may be a result of data suppression.
† Set Designers have been removed from the cross-tabulated total
†† Window designers have been removed from the cross-tabulated total

The table below provides the definitions of the occupations and industries included in the analysis.

Table A - 2 Occupation and Industry Codes used in Definitions

Occupation and Industry Codes used in Definitions
Fashion Designer
Theatre, fashion, exhibit and other creative designers (NOC 5243)
Designers who conceptualize and produce designs for film, television, theatre and video productions, garments and textiles, displays and exhibits, and for other creative items such as jewellery and trophies. Theatre designers are employed by performing arts and broadcasting companies and by festivals; fashion designers are employed by clothing and textiles companies or may be self-employed; and exhibit designers are employed by museums and retail establishments. Other creative designers in this unit group are employed by manufacturing establishments or may be self-employed.
Patternmakers – textile, leather and fur products (NOC 5245)
Patternmakers in this unit group create master patterns for the production of garments, footwear and other textile, leather or fur products. They are employed by pattern manufacturers, textile, leather or fur products manufacturers, or they may be self-employed.
Artisans and craftspersons (NOC 5244)
This unit group includes those who use manual and artistic skills to design and make ornamental objects, pottery, stained glass, jewellery, rugs, blankets, other handicrafts and artistic floral arrangements. Makers of musical instruments are also included in this unit group. Most craftspersons are self-employed.
Fashion Design Services
Specialized Design Services (NAICS 5414)
Establishments primarily engaged in providing specialized design services, except architectural, engineering and computer systems design. (The entire industry includes interior, industrial, graphic, and other specialized design services such as fashion design)
Clothing, accessories and footwear manufacturing
Cut and Sew Clothing Manufacturing (NAICS 3152)
Establishments primarily engaged in manufacturing clothing from fabric made in other establishments.
Clothing Accessories and other Clothing Manufacturing (NAICS 3159)
Establishments, not classified to any other industry, primarily engaged in manufacturing clothing or clothing accessories (e.g., belts, hats, gloves, scarves, etc.)
Footwear Manufacturing (NAICS 3162)
Establishments primarily engaged in manufacturing footwear, of any material.
Other Leather and Allied Product Manufacturing (NAICS 3169)
Establishments, not classified to any other industry, primarily engaged in manufacturing leather and allied products. Some important products of this industry are luggage, handbags, purses, and small articles normally carried on the person or in a handbag, such as billfolds, key cases and coin purses of leather or other materials, except precious metal.
Clothing, accessories and footwear wholesale-distribution
Textile, clothing and footwear wholesale trade and distribution (NAICS 4141)
Establishments primarily engaged in wholesaling textiles, clothing, clothing accessories, footwear, piece goods, notions and other dry goods.
Clothing, accessories and footwear retail
Clothing and clothing accessories stores (NAICS 448)
Establishments primarily engaged in retailing clothing and clothing accessories (including shoe, jewellery and luggage and leather goods stores)
Department Stores (NAICS 4521)

Occupation and Industry Codes used in Definitions
Establishments, known as department stores, primarily engaged in retailing a wide range of products, with each merchandise line constituting a separate department within the store. Selected departments may be operated by separate establishments, on a concession basis.

While we were limited by existing approaches to industry and occupational classifications (namely the NAICS and NOC system), we relied on some additional sources to further disaggregate employment data in cases where there remained significant overlaps. For example:

- In the cross-tabulation of NOC5243 and NAICS 5414, there remains an overlap between "Set design services" and "Set designers" and "Fashion designers" in "Fashion Design Services." A discussion with the Associated Designers of Canada[5] enabled us to reach a conservative estimate of 400 set designers employed across Canada. As such we cut 400 workers from NOC 5243, to further isolate the fashion designers counted in that category.
- Based on data available through Service Canada on employment trends of theatre, fashion, exhibit and other creative designers in Quebec, we estimated that the approximate number of window display designers working in retail was **1,190** across Canada and **480** in Ontario. These estimates were based on the assumption that Ontario and Canada follow trends similar to Quebec. To be conservative, we assumed that all window display designers work in clothing, accessories, and footwear retail stores, and those that work in department stores would also be accounted for in our exclusion.

A.2 Relationship Between "Core" and "Non-Core" Administrative and Support Employment

We consulted various sources in Canada and internationally in order to ascertain the relationship between the administrative and support component of the industry and the designer side of the industry. The tabulations in this report are based on the UK-based think tank Nesta's Dynamic Mapping work.[6] Based on Nesta's analysis of the intensity of work in "Designer Fashion", we estimate that for every core worker in Fashion Design, the effect is 0.78 employment in support/admin roles. This ratio was both the most conservative option and the most relevant to this report.

A.3 Applying a Growth Factor

Since the cross-tabulations of employment were based on data from 2010, it was necessary to develop a method for accounting for growth (or decline) in the Canadian Fashion Design industry between 2010 and 2014, so that we could report estimated employment levels for 2014. We relied on time series data for the annual value of Canada's exports of Clothing, footwear and accessories

[5] ADC is a national, professional non-profit arts service organization dedicated to promoting, pursuing and protecting the interests of set, costume, lighting, projection and sound designers working within the performing arts in Canada.

[6] "A Dynamic Mapping of the UK's Creative Industries" by Hasan Bakhshi, Alan Freeman and Peter Higgs, January 2013.

("North American Product Classification System [NAPCS] 231") to proxy the growth of the industry. Unlike total sales of clothing in Canada, we believe that exports better capture the degree to which the Canadian Fashion Design industry might be increasing its creation of original fashion, which incorporates more elements of design.

Between 2010 and 2014, the annual value of Canada's exports of clothing, footwear and accessories increased by **25%** (a compound annual growth rate of 5.7%), however, since the data for exports is reported in current dollars (with no adjustment for consumer price inflation), we deducted the rate of consumer price index (CPI) inflation in Canada during that four-year period, so that our index was expressed in real dollars thereby tracked real growth in the Canadian Fashion Design industry.

Table A - 3 Derivation of growth factor for fashion industry employment, Canada

	2010	2011	2012	2013	2014	Growth, 2010-2014	Real growth*, 2010-2014
Exports of Clothing, footwear and accessories ($M)	1,939.9	2,089.8	2,081.8	2,125.7	2,424.4	25.0%	17.5%

Source: Nordicity estimates based on data from Statistics Canada, CANSIM 228-0059 and 326-0021.

* Between 2010 and 2014, CPI inflation in Canada was 7.5%. This rate of inflation was subtracted from the current-dollar growth rate in exports of 25% to arrive at a real growth rate of 17.5%.

A.4 Labour Income

To estimate the total labour income in the fashion industry, the estimates of employment in the various occupations were multiplied by the average salary of that occupation. The average annual salaries in NOC 5245, 5243 and 5244 were derived by obtaining the median hourly wage in each occupation from Job Bank and multiplying those hourly wage rates by 2,080 hours. The average annual salary for support and administrative occupations was derived by obtaining the average hourly earnings by those employed across all occupations in clothing manufacturing (NAICS 315), personal and household goods merchant wholesalers (NAICS 414), retail trade (NAICS 44-45) and specialized design services (NAICS 5414) from the Statistics Canada's *Survey of Employment, Payroll and Hours*. Where data was available, we used Ontario-specific hourly wages to calculate labour income at the provincial level.

A.5 Gross Domestic Product

A bottom-up approach was used to estimate the GDP generated by the Fashion Design industry. Under this approach, the estimates of industry employment were used to generate an estimate of total labour income (i.e. employee wages and salaries) in the Fashion Design industry. The ratio of GDP-to-labour-income for the specialized design services industry (1.55) reported in Statistics

Canada's Provincial Input-Output Multipliers, 2010 was used to estimate total industry GDP.[7] The difference between labour income and GDP was attributed operating surplus and mixed income (i.e. operating profits and entrepreneurs' income).

Table A - 4 Calculation of GDP in the fashion design industry, Ontario and Canada

	Ontario Amount	Canada Amount
A. Total labour income ($M)	187.6	576.5.9
B. GDP-to-labour-income ratio, specialized design service	1.55	1.55
C. GDP ($M) [C=A×B]	**290.8**	**893.6**

Source: Nordicity estimates based on data from Statistics Canada, Job Bank and Nesta.

[7] Statistics Canada, *Provincial Input-Output Multipliers, 2010*, catalogue no. 15F0046XDB. Since the most of the employment and activity in Canada's fashion industry is concentrated in Ontario, the GDP-to-labour-income ratio for Ontario was used. The ratio for Quebec was similar (1.61).