

OBPO Economic Impact Assessment

Final Report

July 2024



Acknowledgments

This report was commissioned by the Ontario Book Publishers Organization (OBPO) and made possible with the support of Ontario Creates, an agency of the Government of Ontario.



OBPO would like to extend our sincere thanks to the Ontario publishers who participated in the online survey and contributed their time and insights to this study.

Contents

Executive Summary	3
1. Introduction	4
1.1 Methodology	4
2. Industry Snapshot	5
2.1 Number of Companies	5
2.2 Industry Output	7
2.3 Equity, Diversity, and Inclusion	7
3. Economic Impact Analysis	8
3.1 Revenue Profile	9
3.2 Expenditure Profile	10
3.3 Labour Income and Employment Impact	11
3.4 GDP Impact	12
4. Conclusion	13

Executive Summary

This report, commissioned by the Ontario Book Publishers Organization (OBPO) and conducted by Nordicity, assesses the economic impact of Ontario's independent publishing industry in 2023. The findings provide evidence-based metrics to support OBPO's efforts to represent its members' interests.

Industry Snapshot

- The study identified **78 active independent publishers** in Ontario, predominantly small companies with fewer than 10 employees.
- These publishers collectively released **1,678 new titles and editions** in 2023, with 87% of these works authored by Canadians.
- Most companies that participated in the study have **equity, diversity, and inclusion (EDI) policies, practices, or guidelines in place**, with editorial guidelines and hiring/workplace policies being the most common.

Economic Impact Analysis

- **The industry earned an estimated \$139 million** in 2023. The majority of this revenue came from book sales (62%), with grants and provincial tax credits accounting for 31%. The remaining 7% is attributed to other earned revenue, such as marketing/distribution services and book retailing.
- One third of industry expenditures were allocated to **salaries and wages (35%)**, which includes wages and benefits for employees (24%) and freelance workers (11%). Two thirds of expenditures are allocated to **operating expenses (65%)**, with the largest operating expense categories being rent (29%).
- The industry supported **1,350 full-time equivalent (FTE) jobs**, generating \$93 million in labour income.

Estimates indicate that for every 1.2 titles published in Ontario, one full-time job is created in the province.

- Ontario's independent publishing industry **contributed a total of \$145 million to the provincial GDP**, with \$58.5 million from direct impacts, \$56 million from indirect impacts, and \$30.4 million from induced impacts.

Estimates indicate the industry generated approximately \$1.74 for every dollar distributed under the Ontario Creates Book Fund, indicating a 174% rate of return on the fund.

This report highlights the substantial economic contributions of Ontario's independent publishing industry, including revenue generation, employment support, and GDP impact. **The data and insights provided equip OBPO to continue work with a strong foundation of evidence-based metrics.**

1. Introduction

The Ontario Book Publishers Organization (OBPO) is the trade association for Ontario’s independent book publishers. OBPO plays an important role in representing, supporting, and advancing the interests of Ontario book publishers through engagement with government and sector support organizations. In addition, OBPO fosters collaboration, knowledge exchange, and professional development within its membership.

Nordicity was engaged by OBPO to assess the economic impact of Ontario’s independent publishers. The aim of this project is to provide evidence-based metrics about the activity and impact of the industry to support OBPO’s work on behalf its members. The time period covered by this study roughly corresponds to calendar year 2023.

1.1 Methodology

To analyze economic impact, Nordicity employed a multi-tiered approach. First, a “study universe” list was generated, identifying all active independent publishers in Ontario. This list was developed using publicly available data and categorized by factors such as company size (by employment), primary language of operation, and status of Ontario Creates Book Fund funding. Next, an online survey was administered to collect fiscal and employment data directly from publishers. The survey data was then analyzed using gross-up methodology, applying the results from the sample to the broader universe of publishers.

In the final stage, direct impacts were input into MyEIA Model™ – Nordicity’s proprietary economic impact assessment tool – to calculate indirect and induced impacts created by the industry. This approach allowed Nordicity to quantify the full range of economic contributions made by Ontario’s independent publishing, from employment to provincial GDP. Further details on the MyEIA Model™ are provided in Section 3.

The following subsections provide further detail about the three primary sources of data used for this analysis.

1. **Database of active independent publishers operating in Ontario** (“study universe”), developed by Nordicity.
2. **Online survey**, to collect operating data directly from publishers.
3. Publicly available **funding data**.

Study Universe and Definitions

To estimate figures for Ontario’s independent publishing industry, Nordicity conducted desk research to determine the number and size (by employment) of all independent book publishers in Ontario. Research sources included databases obtained from, or published by, OBPO, Association of Canadian Publishers, Literary Press Group, Association of Canadian University Presses, and Ontario Creates.

For the purposes of this study, an **active independent Ontario publisher is defined as follows**:

- Has its main business office in Ontario and is Canadian-owned (minimum 51% owned by Canadian citizens or permanent residents);
- Has been in operation for at least two years from the date of publication of its first title;
- Publishes at least two original Canadian books (authored or translated by Canadian citizens or permanent residents) per year; and
- Publishes Canadian books as its primary business function (publishing activities account for minimum 51% of revenue), and no more than 25% of published books are authored by principals, directors, or employees.

Using this definition, Nordicity identified **78 active independent publishers operating in Ontario**. Among these 78 active publishers, 46 were identified as current OBPO members.

Online Survey

Nordicity administered an online survey to independent Ontario publishers. The survey was distributed to OBPO members and, where possible, sent directly to non-member firms on the universe list. It was open in the field for approximately 10 weeks between April and June 2024. In total, the survey yielded 36 valid responses after cleaning the data and removing duplicate responses, which represents a 46% response rate among the 78 active independent Ontario publishers identified through desk research. Most respondents were OBPO members, with 5 non-member firms participating in the study.

The online survey was focused solely on collecting data from publishers. While the economic impact assessment also considers the role of distributors, printers, and other related services through indirect impact analysis, these impacts are modeled using Nordicity's MyEIA™ tool, as described in Section 3 of this report.

A Note on Survey Participation: While OBPO's initial goal was to survey at least 80% of eligible publishers, actual engagement was lower, likely due to other regular reporting and the demands of the busy spring publishing season. Most Ontario publishers receive financial support from funding bodies that have detailed reporting requirements for recipients. Most also belong to one or more industry associations, which regularly survey their members. In addition, publishers have been asked to respond to multiple impact study surveys in the past five years. It is likely that survey fatigue among publishers impacted the response rate for this study. Where necessary, Nordicity contacted individual publishers to fill key data gaps.

Funding Data

One of the metrics on which this study was designed to report is the rate of return for every dollar distributed under the Ontario Creates Book Fund. As such, Ontario Creates funding recipient data was used to identify grants awarded through the Book Fund during the period covered by this study.

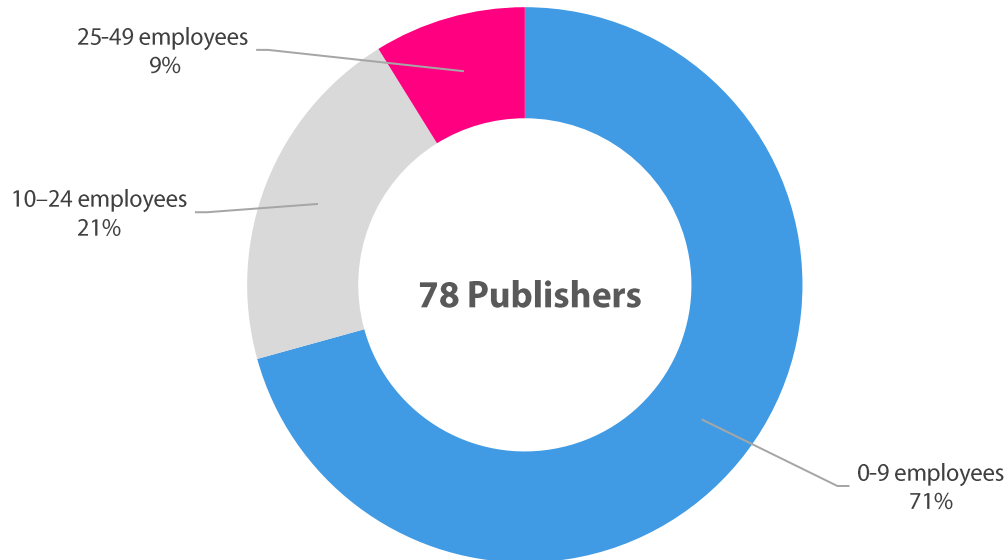
2. Industry Snapshot

This section presents a snapshot of Ontario's independent publishing industry in 2023. It presents the number of active companies, the number of titles published, and an overview of how Ontario publishers are addressing equity, diversity, and inclusion.

2.1 Number of Companies

A key indicator of an industry's size is the number of companies operating within it. In 2023, there were **78 active independent publishers** identified in Ontario. As Figure 1 shows, the industry mainly comprises small companies that employ fewer than 10 people (71%).

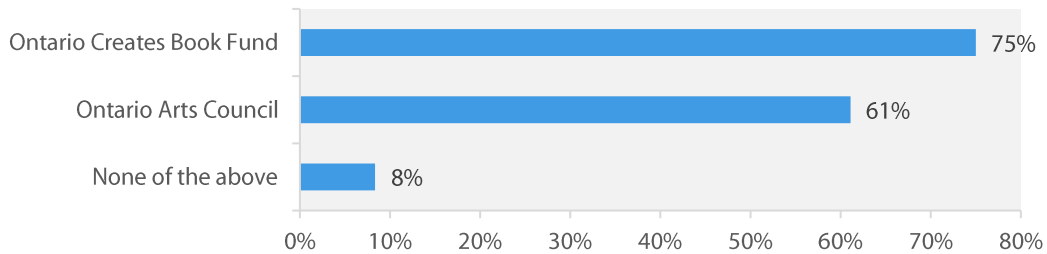
Figure 1 Total number of publishers, by size (employment)



Source: OPBO EIA 2023 Book Publishing Industry Profile Universe and Survey

Among survey respondents, **the majority reported receiving funding from Ontario Creates Book Fund and from Ontario Arts Council.** As seen in Figure 2, three-quarters reported receiving funds from Ontario Creates Book Fund, while two-thirds reported receiving Ontario Arts Council grants.

Figure 2 Received funding from the following sources (n=36)



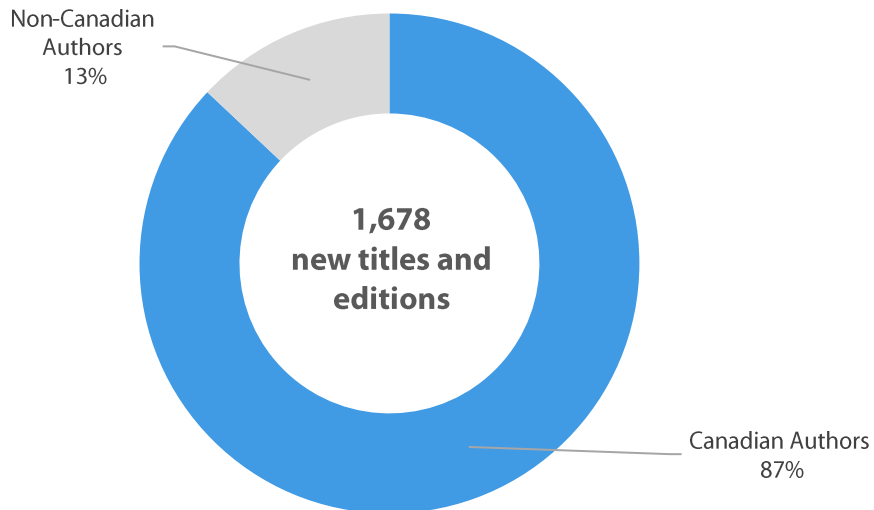
Source: OPBO EIA 2023 Book Publishing Industry Profile Universe and Survey. Note: Respondents could select multiple options. Percentages are based on the number of respondents; totals may exceed 100%.

2.2 Industry Output

This section examines independent publishing activity in Ontario, providing insights into the volume and authorship of titles released in 2023.

Nordicity estimates Ontario’s independent publishers released a total of approximately **1,678 new titles and editions** in 2023, as shown in Figure 3. This output was **dominated by Canadian voices**, with the vast majority (87%) being authored by Canadians.

Figure 3 New works, by author type (n=33)



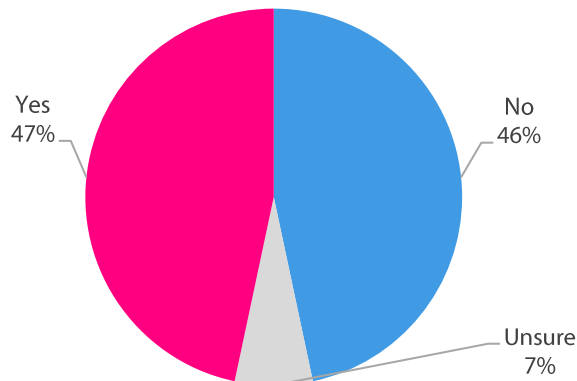
Source: OPBO EIA 2023 Book Publishing Industry Profile Survey

2.3 Equity, Diversity, and Inclusion

Equity, diversity, and inclusion (EDI) are increasingly high priorities for many funding bodies and across the publishing industry. As such, this study explored how Ontario’s independent publishers are integrating EDI practices within their organizations.

Among the firms who participated in this study, roughly half have conducted **internal diversity surveys**, as illustrated in Figure 4.

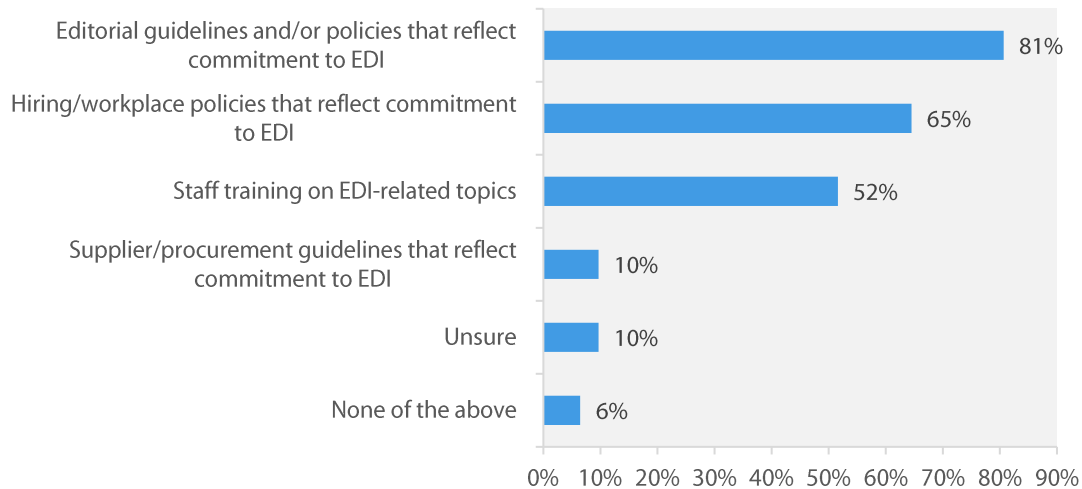
Figure 4 Companies who have conducted workforce diversity surveys within the organization (n=30)



Source: OPBO EIA 2023 Book Publishing Industry Profile Survey

In contrast to the findings on the question of diversity surveys, companies participating in this study were very likely to have **formal EDI policies, practices, or guidelines** in place. As shown in Figure 5, most have at least one in place, with **editorial guidelines (81%)** and **hiring/workplace policies (65%)** being the most common.

Figure 5 Do companies have any formal EDI policies, practices, or guidelines? (n=31)



Source: OPBO EIA 2023 Book Publishing Industry Profile Survey. Note: Respondents could select multiple options. Percentages are based on the number of respondents; totals may exceed 100%.

3. Economic Impact Analysis

The business activities of Ontario's independent publishing industry have a substantial impact on the provincial economy. This impact can be broken down into three categories:

- **Employment** refers to the number of jobs supported by the industry, measured in full-time equivalents (FTEs).
- **Labour income** includes wages, salaries, and benefits earned by employees within the industry.
- **Gross Domestic Product (GDP)** refers to the total value of goods and services produced by an industry. It is a key measure of economic activity and health.

These impacts can be further broken down into the following three levels:

- **Direct impacts:** Employment, labour income, and GDP generated directly by the independent book publishing industry in Ontario.
- **Indirect impacts:** Employment, labour income, and GDP resulting from spending by the book publishing industry in supplier industries (e.g., printing).
- **Induced impacts:** Employment, labour income, and GDP that can be attributed to the respending of income by Ontario households that earned income at both the direct and indirect stages of the economic impact.

About the MyEIA Model™

Nordicity's MyEIA Model™ is a customized economic impact analysis tool that utilizes Statistics Canada's Input-Output tables, along with other economic data (e.g., industry wages) to estimate how increased expenditures in any industry translate into additional employment, labour income, and GDP. The MyEIA Model™ also provides estimates of the additional federal, provincial, and local tax revenue generated by any additional economic activity.

The customized nature of MyEIA Model™ means that it can provide reliable estimates for any industry, even if the industry is not among the industries that comprise Statistics Canada's Input-Output tables. With detailed data on expenditures within an industry or any type of economic shock, the MyEIA Model™ can generate estimates of direct, indirect, and induced impacts.

The MyEIA Model™ uses an inverse Leontief matrix based on Statistics Canada Input-Output tables to derive estimates of the indirect impact generated by purchases of goods and services. The model uses Type II impact ratios published by Statistics Canada to derive induced impacts.

The MyEIA Model™ generates estimates of provincial/territorial and Canada-wide impacts. It also incorporates sub-provincial location quotients to estimate local regional economic impacts.

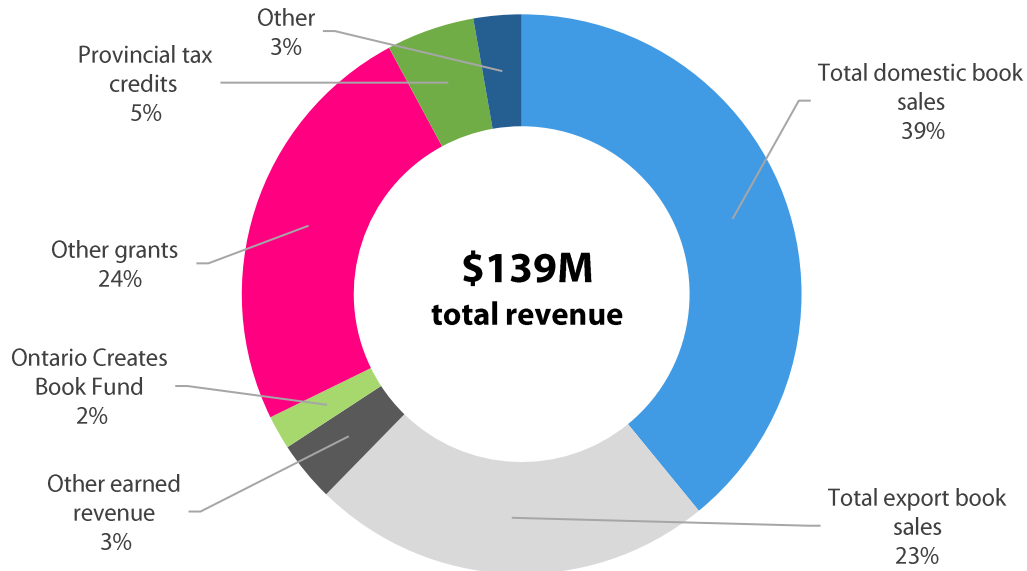
3.1 Revenue Profile

Along with the number of companies and published titles, a key measure of industry activity is its annual revenue generation. As seen in Figure 6, **Ontario's independent publishing industry earned an estimated total of \$139 million in 2023.**¹

Nearly two thirds of the revenue earned by Ontario's independent publishers is derived from book sales (39% domestic sales, 23% export sales), with grants and provincial tax credits contributing a further third (26% grants, 5% provincial tax credits). The remaining 7% is attributed to other earned revenue, such as marketing/distribution services and book retailing.

¹ This study for OBPO focuses specifically on the economic impact of independent Ontario publishers and does not include market share comparisons with larger multinational firms operating in the province. Ontario Creates, however, reports that the provincial book industry earned approximately \$980 million in 2020 ("[Industry Profile – Book](#)," February 13, 2023). Based on Nordicity's estimated revenue generation for Ontario's independent publishing industry, it can be inferred that independent publishers account for roughly 15% of the total industry revenue in the province.

Figure 6 Revenue profile of Ontario book publishers (n=36)



Source: OPBO EIA 2023 Book Publishing Industry Profile Survey

3.2 Expenditure Profile

Typically, economic impacts arise from the spending activities of an industry. Figure 7 Expenditure profile for the Ontario publishing industry presents the average distribution of expenditures across various spending categories for Ontario’s independent publishing industry as a whole. As shown below, salaries and wages account for roughly a third of companies’ spending (35%), which includes wages and benefits for **employees (24%)** and freelance workers (11%). Operating expenses accounting for the remaining expenditures (65%), with the greatest operating expense category being **rent (29%)**.

Based on average expenditure and revenue figures, Nordicity estimates that **the average profit margin for Ontario’s independent publishers was 5% in 2023**. This margin is equivalent to approximately \$7 million across the independent publishing industry.

Figure 7 Expenditure profile for the Ontario publishing industry

Expense Type	Expense Category	Allocation
Salaries and wages (35%)	Employee wages and benefits	24%
	Freelancer worker wages and benefits	11%
Operating expenses (65%)	Authors and illustrators (advances and royalties)	12%
	Rent	29%
	Utilities	3%
	Marketing	2%
	Office equipment and supplies	13%
	Business services	2%
	Other non-labour expenses	5%
	Total	

Source: OPBO EIA 2023 Book Publishing Industry Profile Survey

3.3 Labour Income and Employment Impact

A significant part of the economic impact of Ontario’s independent publishing industry arises from the employment it supports in the provincial economy, which is expressed in terms of full-time equivalents (FTEs). As shown in Figure 8, **the industry supported an estimated total of 1,350 FTEs in 2023, resulting in \$93 million in total labour income.** The industry directly accounted for 720 FTEs at publishing firms, generating \$48.5 million in labour income, with the remainder accounted for through indirect and induced impacts.

Figure 8 Labour Income and Employment Impact

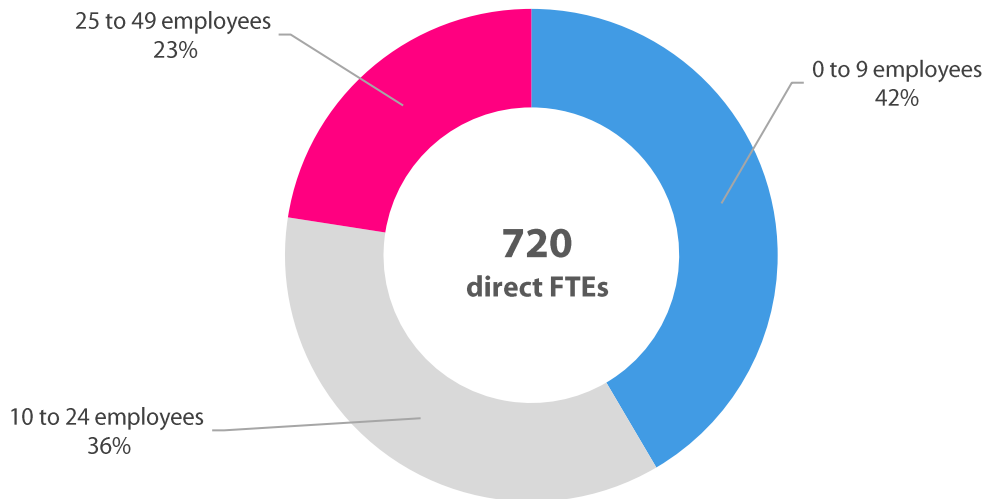
	Direct	Indirect	Induced	Total
Employment Impact (FTEs)	720	400	230	1,350
Labour Income (\$)	48.5M	30M	14.5M	93M

Source: OPBO EIA 2023 Book Publishing Industry Profile Survey and MyEIA™

Comparing this estimated employment impact to estimated industry output (Section 2.2) indicates that **for every 1.2 titles published in Ontario, one full-time job is created in the province.**

As illustrated in Figure 9, the greatest proportion of those directly employed by Ontario publishers were employed at companies with 0 to 9 employees (42%), with the rest employed at companies with 10 to 24 employees (36%) and 25 to 49 employees (23%).

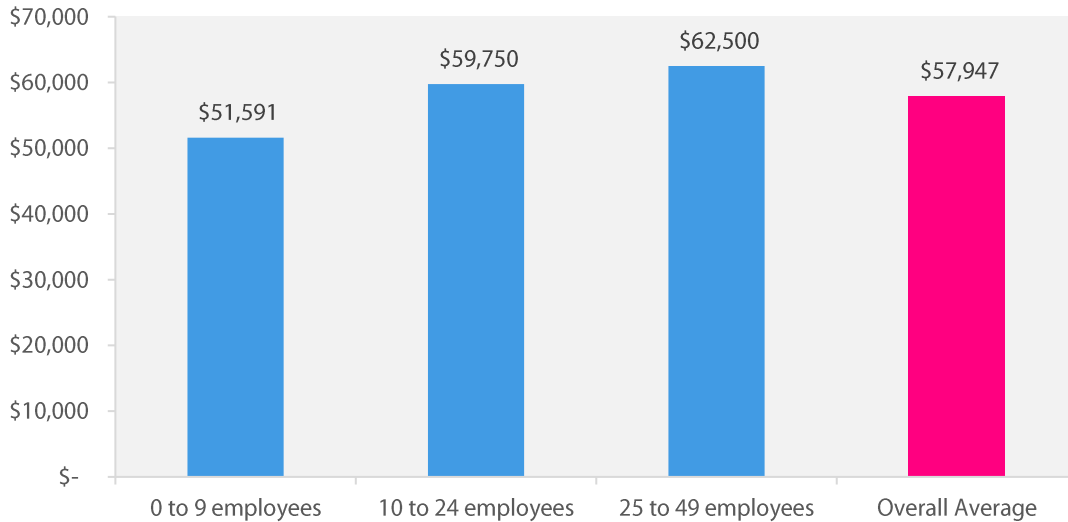
Figure 9 Total number Direct FTEs by company size



Source: OPBO EIA 2023 Book Publishing Industry Profile Survey

On average, Nordicity estimates that a **full-time employee working in Ontario’s independent publishing industry in 2023 earned \$58,000**. Figure 10 breaks out average salary by company size and shows a clear correlation between company size and average salary – the larger the company, the higher the average salary.

Figure 10 Average annual salary per FTE, by company size (n=35)



Source: OPBO EIA 2023 Book Publishing Industry Profile Survey

3.4 GDP Impact

This section examines the GDP impact of Ontario's independent publishing industry. GDP represents the total value added by a company or industry in creating and producing goods or services. It can be estimated by combining the labour income of workers in Canada with a portion of the operating surplus (i.e., profits generated directly from the development of published works).

Nordicity estimates that Ontario’s independent publishing industry directly contributed a total of \$58.5 million to Ontario’s GDP in 2023. In addition, the industry generated \$56 million in indirect impact GDP through its purchase of supplies and services. The industry also generated an additional \$30.4 million in induced impact GDP, as workers employed in the publishing industry and its supply chain re-spent their labour income across the wider Ontario economy. **In total, the independent publishing industry contributed \$145 million in GDP to the provincial economy in 2023.**

Figure 11 GDP Impact

	Direct	Indirect	Induced	Total
GDP (\$)	58.5M	56M	30.4M	144.9M

Source: OPBO EIA 2023 Book Publishing Industry Profile Survey and MyEIA™

Estimating Rate of Return on Ontario Creates Book Fund

Nordicity estimates that **just over half of the industry's total GDP contribution in 2023 was generated by publishers that were funded through Ontario Creates Book Fund** (\$75.5 million, or 52%). Given that Ontario Creates Book Fund distributed roughly \$2.7 million² in the period covered by this study, it is estimated that the industry generated an estimated \$1.74 in GDP for every dollar distributed under the Book Fund. In other words, **the rate of return on the Book Fund is 174%**.

While the Ontario Creates Book Fund is project-based, Nordicity's approach to estimating the rate of return assumes that these projects are integral to a publisher's wider economic performance. As such, the GDP impact attributed to the Book Fund includes not the specific revenue directly generated by funded projects (which was not captured in this study) but rather a portion of the publishers' broader activities enabled by this support. Nordicity used the MyEIA Model™ to estimate the economic impact – including direct, indirect, and induced effects – resulting in the calculated rate of return of \$1.74 in GDP per dollar of Ontario Creates Book Fund support.

4. Conclusion

This study highlights the economic significance of Ontario's independent publishing industry. By examining the number of active companies, the volume of published titles, and the integration of equity, diversity, and inclusion practices, the report provides a snapshot of the industry's current state. Analysis of the industry's economic contributions through direct, indirect, and induced impacts point to its role in generating employment and supporting GDP growth in the province.

With this report, **OBPO is equipped with clear evidence of the independent publishing industry's impact in Ontario.**

² This figure is estimated based on survey responses (where publishers indicated funding received from Ontario Creates Book Fund in the fiscal year ending in 2023) and Ontario Create's public funding data for 2022–23. As a result, this figure may differ from amounts reported directly by Ontario Creates for a given year due to variations between the fiscal year of Ontario Creates and the individual fiscal years of the publishers that participated in this study.