ONLINE ENTREPRENEUR FUND FOR YOUTH

Pre-budget submission

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Executive Summary

The Shaw Rocket Fund is an innovative, dynamic and vital partner of the Canadian production and broadcasting industry, offering children and youth robust world-leading Canadian media content. We support Canadian-made media that represents our country's values, reflects our diversity, and most of all respects and speaks to our children and youth — while positively showcasing Canadian leadership on the world stage.

Since 1999, the Rocket Fund has invested more than $194 million into 650 television programs, and since 2010, into 107 associated digital media content for children, youth and families. We support programming in both official languages, as well as indigenous and various minority languages, on all Canadian networks that air children's and youth programming with public and private broadcaster support split evenly.

The Rocket Fund is a model that supports the sustainability of the children's production industry and the ongoing contribution to the creation of high-quality media content for kids that is enjoyed by children across Canada and abroad. We work with government, regulators and industry to respond to a continually changing media environment that allows for maximum benefit not only for children, youth and families consuming media, but also for the Canadian economy.

At a time where the Canadian broadcasting sector is rapidly changing as a result of technological advancement, it is critical that the children and youth media production sector continues to thrive and adapt. With the formation of the Prime Minister's Youth Council, there is no better time than now to invest in Canadian children and youth.

As such, **Shaw Rocket Fund is recommending that the Government of Canada invest $10 million over five years in support of the creation of an online entrepreneurship fund for youth, dedicated to helping Canadians 18 years of age and under become future innovators to spur economic growth.** Given its successful track record and expertise in this sector, Shaw Rocket Fund would oversee this fund and dedicate resources to skills and training, ensuring discoverability of Canadian stories and conducting robust qualitative and quantitative research that will allow Canada to maintain competitiveness when it comes to digital media production.

Generation Z and the future of online entrepreneurism

Generation Z, born after 1995 — turning 18 between 2013 and 2028 and representing about two billion people worldwide — is deemed to be the first global generation. It is made up of true digital natives who have been born into a world where unrestricted connectivity and content discovery are the norm. They have access to an abundance of video options that can be experienced on any device of their choice, and where interactivity is expected. They are not early adopters of technology, nor are they converts to technology. Technology and choice are inherent in their lives. This generation was born just as Yahoo and Google were launched into the market and already live within a multi-screen environment that offers an abundance of content and choice. It's why they're poised to become the Canadian innovators and entrepreneurs we need to contribute to the country's economic growth. As such increased education and training to help young Canadians be entrepreneurs online — their platform of

choice — will spur the creation of disruptive new technologies, user generated content and innovative digital businesses. Given the Government of Canada's focus on making our country and innovation nation, an investment in online entrepreneurship is key to future economic growth.

Recommendation 1
Invest $10 million over five years to create an Online Entrepreneur Fund for Youth which will help support Canadian youth 18 and under to become successful online entrepreneurs. Shaw Rocket Fund, with its track record of helping to fund television programs and digital media, would oversee this dedicated fund and carry out relevant activities to enhance Canadian children's and youth's ability to become innovators.

Telling Canadian stories

While TV is now just one of many vehicles young people are choosing to consume programming, it continues to maintain a central and familiar space in the homes of most Canadians. That space, however, cannot be taken for granted, as young Canadians continue to define their position within the growth of today's digital storytelling eco-system. Our research shows that between 2010 and 2014, watching programming on TV decreased by 21 per cent, whereas the laptop/PC and smartphone have both increased by at least 20 per cent. By 2014, the number of hours spent with content via digital technology that is mobile surpassed traditional stationary TV by a ratio of 12.96 hours to 10.72 hours. By the same measure, 60 per cent of Canadian kids acknowledge the future of TV is online. By 2030, Gen Z is expected to be the most populous in Canada. Simply put, in order to remain relevant, media production must adapt to these changing demographics and consumption habits by becoming more flexible and responsive to today and tomorrow's reality.

Amongst this change, 60 per cent of Canadian children still desire high quality Canadian-made programming that is aspirational, relatable and relevant to them. Our research also shows that 68 per cent of kids 9-18 surveyed said they are proud when a show they like is Canadian, and 46 per cent like shows that reflect them as Canadians. Similarly, Canadian parents feel it's important that programming is made in and about Canada and that access to Canadian-made programming in households is important to families in every province.

Today's entertainment and media industry is about consumer choice, innovation and experience — irrespective of whether delivery is digital or non-digital. That means our industry must make children's programming sustainable, discoverable and relevant.

Recommendation 2
Through the federal government's investment in the Online Entrepreneur Fund for Youth, Shaw Rocket Fund would make meaningful investments in Canada's young people in urban, rural and remote communities to help them tell stories relevant to them, with an emphasis on making the content discoverable online. We propose that each allocation of funds to online content would also include a reasonable allocation towards discoverability tools such as social media and online advertising to help the audience discover the content being produced in a meaningful way. We also recommend that 5% of

the Fund annually go towards mentorship on discoverability that addresses the ever changing online world.

Establishing benchmarks for children and youth media consumption

The responsibility to provide Canadian media content to children and youth has transformed into an even greater responsibility due to easily accessible devices and the vast abundance of choice for children. Media consumption for children and youth is seeing the most change of any demographic.

In the midst of various changing realities across this sector, the Rocket Fund has an increasingly important role to play as champion investor, promoter and supporter of Canadian kids media content.

In 2010, the Fund undertook the first ever media and technology landscape study of young Canadians and their media habits. Over 1,000 English and French language Canadian children (aged 9 to 17) participated in this broad research project which captured young people's expectations about their media consumption and interaction with content. The goal was to provide critical information to help the Canadian media and broadcast industry continue to achieve its goal in producing high-quality and relevant Canadian content for youth across the country.

Hearing first-hand from young people gave the Fund an opportunity to truly understand how kids view the constant stream of information that is being communicated to them and the best ways to engage them. Due to cost, we have only been updated the study with small quantitative research groups and mining research (updated in 2014 and 2015). It has been more than five years since we released the robust results of the last comprehensive research project and media consumption has continued to change at break-neck speed since that time. The advent of social media and portable devices that increasingly function as primary "devices of choice" mean that media content is accessible virtually everywhere for kids. In order to keep pace with an industry that changes rapidly both in terms of platforms used and content consumed, it is vitally important to keep this research fresh. Simply put, children today "live their media," and keeping pace with this key demographic (and by extension wider demographics) is absolutely crucial.

This research would provide an opportunity to engage children in a more fulsome discussion and gain a more in-depth understanding of why they make the choices they do. By extending the research over a five-year term, we would also have a unique opportunity to examine how their choices and consumption develop and evolve over time, particularly with the proliferation of new media and ever-improving and changing technology. It would also ensure the programs supported by the potential Online Entrepreneur Fund for Youth would be relevant and up-to-date with change.

Additionally, Canada is recognized as a leader in the creation and exporting of children's television and media content, an expertise that can be leveraged in numerous ways. The results of this research would ensure that we can continue to offer children and families access to the best and most relevant media content in the world. However, in order to do so, we must continue to engage with our audiences and clearly understand their experiences, opinions and interests, as well as key socio-demographic information.

Considering how children and youth consume media today and what is forecasted in the near future, robust qualitative and quantitative research on children's and youth audiences is needed in order to formulate a comparative starting point to ensure that public policies being implemented today are useful tools to monitor the landscape of children's programming tomorrow.

Recommendation 3

Because relevant and robust research is needed, an expert panel should be convened to conduct qualitative research on children and youth programming, consumption habits and user experience with an aim to understanding how the digital environment can best serve public policy and move innovations forward. Through the dedicated Online Entrepreneur Fund for Youth, Shaw Rocket Fund would also engage in an exhaustive quantitative research study and work with the Prime Minister's Youth Council to identify relevant gaps and opportunities to align with federal government priorities. We recommend to invest 10 per cent ($1 million) of the dedicated Online Entrepreneur Fund for Youth to research initiatives that will enhance programming and public policy affecting Canadian children and youth].

Conclusion

It is estimated that Generation Z—those 20 years old and under are known as the first global generation—will become the largest demographic by 2030. This means two billion people worldwide will have only known a world that is connected digitally, and this generation currently represents approximately 22 per cent of Canada's population. While millennials have easily adopted and embraced new technology, we know that Gen Z will drive it.

As the youth of today are connected without barriers, creating Canadian stories that represent Canadian values for this generation is more important than ever. This is why media as it relates to Canadian content should be a top policy priority in Budget 2017. Investing in an Online Entrepreneur Fund for Youth will allow Canadian youth to become tomorrow's innovators. Shaw Rocket Fund is in a position to best serve the globally connected, interactive young consumers who will shape the Canadian economy through its meaningful and progressive support of the Canadian children's and youth production sector. We believe that with strategic investments in young Canadians and support for partnerships and research, these Gen Zers are poised to be the most important generation to contribute to Canada's economic growth.