



Motion Picture Production Is Good Business

They call it Show Business For A Reason

The Creative Economy is a Real Economy

Many economic impact studies, including a groundbreaking study by the New England Foundation for the Arts, demonstrate that a strong creative sector translates directly to a strong economy. The creative economy strengthens traditional economic sectors: by creating new jobs in the technical, service and management areas, by helping to revitalize downtowns, and by attracting new businesses and residents. As one example, the Massachusetts creative economy's economic impact is in the billions of dollars and well over 100,000 people are employed within it.ⁱ

The Motion Picture Industry is Broad-Based

As part of the creative economy, the motion picture industry includes the production of full budget feature films, all forms of television production (including reality shows, drama & comedy series), commercials, documentaries, animation, webisodes and other forms of new media. It employs a broad spectrum of people, from craftspeople and artisans to skilled technicians and laborers that work in many phases of production including creation, design, production, post-production and distribution.

A Growing Industry That Creates New Jobs That Are Good Jobs

Economists consider the motion picture industry a growth industry. It is one of the few industries in which our nation enjoys a balance of trade surplus with the rest of the world. The jobs created in the industry are largely well paying, mostly unionized, and provide these workers with health and retirement benefits.

- Employment in the film and television production industry nationally was projected to grow 14% between 2008 and 2018 - compared to just 11% in all other industries combined. The growth in employment results from the increasing programming demand for new cable and satellite television channels, for more motion pictures to meet increasing in-home demand for videos and DVDs, and for a wide range of projects viewed on the Internet and mobile devices.ⁱⁱ
- Core production employees in the film and television industry earned an average salary of \$74,700, almost 76% higher than the average salary nationwide.ⁱⁱⁱ The median annualized wage for Massachusetts residents employed by film productions was \$67,775.^{iv}
- Many studies have calculated the total direct and indirect jobs created by motion picture production. A Rhode Island study found that for every two direct jobs created in the motion picture industry, one additional job outside the production industry was also created.^v

An Industry With Real Economic Impact

Wage and non-wage spending created by motion picture production has an immediate direct and indirect impact on a broad spectrum of the local and regional economies. Local lumber yards, hardware & paint stores, office supply stores, hotels, restaurants, furniture & antique shops, dry cleaners, taxis, car rental agencies, and hundreds of other local businesses all serve as vendors for goods and services for a production.

- In 2008, motion picture production impacted more than 115,000 small businesses in all 50 states, 81% of which employ fewer than ten people. 25% of those businesses are sole proprietorships.^{vi}
- The five major motion picture productions that shot in Massachusetts in 2011 used over 500 businesses across the state to produce their projects, many of them new businesses created to meet the new demand.^{vii}

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An Industry With Real Economic Impact, cont'd

- In 2011 & 2012, Universal's total purchases and rentals at Massachusetts companies during the production of R.I.P.D. exceeded \$34m.
- Private investors in New England Studios are spending nearly \$40m to build sound stages in Massachusetts that will create approximately 500 jobs and nearly \$3m in tax revenue.^{viii}
- Rhode Island employees of film and television production companies paid \$18.5 million dollars in state and local tax dollars between 2005 and 2009. In that same time period, employees of other Rhode Island businesses that serviced those film & television production companies paid \$15.6 million dollars in state and local tax dollars.^{ix}

An Industry That Benefits Tourism

There is little doubt that film and television production has a positive impact on the tourism for the locations highlighted in a production, creating more jobs and revenue for the state or region.

- Significant increases in state tourism can be tied to film productions. In some cases, widely viewed films increased tourism to featured locations by more than 25%.^x
- A study published in the Journal of Travel Research analyzed the effects of film tourism on a variety of different locations throughout the United States. They found that a location featured in a successful motion picture would see an increase of up to 75 percent in tourism the year after that motion picture is released.^{xi}
- A study recently completed for the New Mexico Tourism Department shows films and television shows shot in New Mexico have a significant impact on tourism in the state. Combining the effects of the increased number of tourists and the increased length of visits to New Mexico, film-related tourism accounted for an estimated 5.5% of total New Mexico tourism dollars spent in 2008.^{xii}

An Industry With Education Impact

The Colleges and Universities in our state produce a significant number of graduates every year with degrees in film and television production, art direction, and drama. A vibrant motion picture industry provides these graduates with creative and employment opportunities right here, preventing them from having to leave the region to look elsewhere.

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- i Massachusetts Executive Office of Housing and Economic Development
 - ii Edward M. Mazze, "The Economic Impact of the Motion Picture Production Tax Credit on the Rhode Island Economy for the Years 2005-2009", April 2010
 - iii Bureau of Labor Statistics, National Compensation Survey
 - iv Massachusetts Department of Revenue, "A Report on the Massachusetts Film Industry Tax Incentives", July 2009
 - v Edward M. Mazze, "The Economic Impact of the Motion Picture Production Tax Credit on the Rhode Island Economy for the Years 2005-2009", April 2010
 - vi Analysis, Dun & Bradstreet industry reports
 - vii IATSE Local 481
 - viii Ernst & Young, "Evaluating the Effectiveness of State Film Tax Credit Programs", 2012.
 - ix Edward M. Mazze, "The Economic Impact of the Motion Picture Production Tax Credit on the Rhode Island Economy for the Years 2005-2009", April 2010
 - x Ernst & Young, "Evaluating the Effectiveness of State Film Tax Credit Programs", 2012.
 - xi Hudson, Simon and J.R. Brent Ritchie, "Promoting destinations via film tourism: an empirical identification of supporting marketing initiatives," Journal of Travel Research, Vol. 44, May 2006
 - xii Ernst & Young, "Economic and Fiscal Impacts of the New Mexico Film Production Tax Credit", January 2009