

The Economic Impact of the Motion Picture & Television Industry on the United States

April 2009



A Message from Dan Glickman

On behalf of the Motion Picture Association of America and our six member studios, I am pleased to present the industry's second biennial nationwide economic impact report.

The magic of the big screen is something we all have experienced. We can all recount the unforgettable moments from our favorite movies - scenes that make us laugh, cry, cheer, wonder, and believe. We associate these moments with Hollywood and big stars and big studios. And while these are important and visible pieces of the industry, they don't represent the entire picture.

Even as you read this report, workers in businesses both large and small across America are lending their talents behind the camera, on construction sites and in computer labs, revealing an industry that is:

A diverse job creator: 2.5 million Americans jobs are supported by the motion picture and television industry – costume designers, truck drivers, architects and accountants are but a few examples of the complex combination of workers who collectively make movies.

A community of small businesses and entrepreneurs: Over 115,000 businesses in all 50 states – 81 percent of which employ fewer than 10 people – comprise the motion picture and television industry.

A nationwide enterprise: On-location production, infrastructure development and movie and television-related tourism are contributing to the economies of all 50 states.

A successful exporter of American products: The American motion picture industry carries a positive balance of trade around the world and a \$13.6 billion trade surplus.

For decades, the motion picture and television production industry has been a cornerstone in America's creative economy. Throughout that time, we have pushed the boundaries of technology to improve our product – from silent pictures to surround sound, from black and white film to digital computer animation. Today, we are pushing boundaries again, with purchasing options that give consumers better and more cost-effective choices.

We are committed to keeping our industry at the forefront of the worldwide entertainment market and to ensuring that our contribution to the U.S. economy continues to grow.

Now I invite you to take a peek behind the big screen by reading this report. I believe you will find it is an interesting, informative and entertaining look at an important American enterprise – the motion picture and television industry.

See you at the movies.

Hollywood: The Movie

By Edward Jay Epstein

Hollywood has spent the better part of the last century making movies out of the great inspirational sagas of human history. Ironically, the one epic it has yet to make is one about a uniquely American achievement that has and continues to mesmerize the world: The Rise Of Hollywood. Here is a true *Sturm and Drang* melodrama chock full of fascinating characters from the edges who overcome seemingly impossible obstacles to build a new industry that today defines the world of mass entertainment. The scenario would follow the classic Hollywood three-act formula.

ACT ONE

Fade in on the men who founded the studios of Hollywood. These are self-made and self-educated Jewish immigrants from impoverished backgrounds, who, prior to becoming movie exhibitors, had been ragpickers, furriers, errand boys, butchers and junk peddlers. They are true outliers: Louis B. Mayer, Samuel Goldwyn, Jack Warner, Adolph Zucker, William Fox, Carl Laemmle, and Harry Cohn, who first scraped together money to build arcades and nickelodeons to show movies, then resourcefully expanded them into theater chains, distribution networks, and, finally, studios. In the second decade of the 1900s, they moved their studios to a near desert in California - the tiny incorporated village of Hollywood - a place they could control and build. By the mid-1920s, 57 million people – over half the population - was going to their movies every week.

Yet, the saga is just beginning. In 1927, sound, now married to the picture, is introduced to the world with Al Jolson in *The Jazz Singer*. Even though huge capital is required to add this new dimension to movies, Hollywood - in one of the great technological feats of modern history - converts most of the 21,000 theaters in America to sound, rebuilds its studios to put sound on film, and casts new stars for talkie movies. Despite even the Great Depression of the 1930s, the weekly audience grows to 75 million who go to the movies to see not just feature movies, but newsreels, comedy shorts, action-packed serials and cartoons. A new generation of talent, including such brilliant innovators as Walt Disney, expands its realm to children's entertainment, and color adds to its ability to entertain the public even in the bleak years of the Depression and the grim war years of the early 1940s.

ACT TWO

The second world war has ended; the troops have come home. By 1948, the studio system is at its zenith. Over 90 million Americans go to the movies on a weekly basis, roughly two-thirds of the population. The studios produce over 500 feature movies a year, have all the major stars under iron-clad contract, and employ over 320,000 Americans. In little more than a generation, its founders have literally gone from rags to riches.

But there was an ever-darkening cloud forming: television. Even with its fuzzy black and white pictures, it offers free stay-at-home entertainment, which gradually eats away at its habitual audience. Even with new innovations, such as drive-ins, Cinemascope, 3-D, and surround sound, the entertainment landscape had irreversibly changed. After color TV is introduced in the 1950s, the weekly movie audience drops by 1958 to 40 million. Prophets of doom predict the end of Hollywood is near.

ACT THREE

But the prophets have underestimated the resourcefulness of Hollywood. Its genius had always been adaptation to new circumstances. It is, after all, in the business of entertainment— a medium which thrives on transformation. So Hollywood re-invents itself. The old studio system, with its contractual control of theaters and stars, is dead; long live the new studio system. Unable to depend on a habitual weekly audience, it turns television to its advantage, using national TV advertising to create tailor-made audiences for each and every movie. And, while remaining an

American business, it greatly expanded its reach overseas, creating a second stream of revenue from theaters and television abroad.

The audience of the new Hollywood is not limited to theaters. It finds new sources of revenue in licensing its movies to television, originating prime-time series, renting its movies on home video, putting it on planes via in-flight entertainment and in hotels, turning its characters into toys, and then, with the digital revolution, putting its movies on DVD, Blu-ray, video-on-demand, cell phones, and the Internet. In doing so, it not only kept alive the movie business, but made it central to the world's entertainment economy. With states and municipalities competing with one another for film production, it also continued to create jobs across the nation, supporting employment for 2.5 million people.

But beyond the movies, the money, and the job creation, Hollywood produces another form of wealth: the pictures in our head by which both we, and the world at large, define the phenomenon of American culture. What a movie that achievement would make. FADE OUT

THE END

Report Highlights

The production and distribution of motion pictures and television programs is one of the nation's most valuable cultural and economic resources.

In 2007, the motion picture and television industry was responsible for:

- **2.5 million American jobs;**
- **an average salary of \$74,700 for production employees;**
- **\$41.1 billion in wages to workers in America;**
- **\$38.2 billion in payments to U.S. vendors and suppliers, small businesses and entrepreneurs;**
- **\$13 billion in income and sales taxes; and**
- **\$13.6 billion in trade surplus.**

2.5 Million Diverse Jobs in 50 States

With a payroll of over \$41 billion, the motion picture and television industry is a major private-sector employer. In total, the motion picture and television industry supports 2.5 million American jobs:

- Over 285,000 people are employed in the core business of producing, marketing, manufacturing and distributing motion pictures and television shows, including full, part time and free-lance workers at major studios, independent production companies, and core industry suppliers like film labs, special effects and digital studios, location services, and prop and wardrobe houses dedicated to the production industry, among others. The industry employs workers in every major occupational group, including actors, accountants, agents, animators, camera operators, casting directors, computer specialists, directors, editors, engineers, graphic designers, marketers, producers, special effects, technicians, writers, and many, many more.
- Over 478,000 people are employed in the related businesses that distribute motion pictures and television shows to consumers. This includes workers at movie theaters, video rental operations, television broadcasters, cable companies, and new dedicated online ventures like Hulu and TV.com.
- The motion picture and television industry supports an additional 1.7 million indirect jobs at the thousands of companies doing business with the industry, such as apparel and accessory retailers, car rental and sales dealers, caterers, dry cleaners, florists, hardware and lumber suppliers, and transportation companies, as well as at a wide cross-section of companies doing business with consumers, such as retailers, themed restaurants and tourist attractions.

The average salary of those employed in the core production-related industry was just under \$75,000 in 2007 – nearly 76 percent higher than the average salary nationwide. Including employees on the consumer-facing film and TV distribution side, the average salary of all workers in the motion picture and television industry is 26 percent higher than the average salary nationwide.¹

A Nationwide Community of Small Businesses and Entrepreneurs

One of the most unique characteristics of the motion picture and television industry is its decentralized nature. As of 2008, the motion picture and television industry comprises more than 115,000 businesses around the country – in production to distribution – and 81 percent of these businesses employ fewer than 10 people.² One-quarter of the businesses are sole proprietorships. In essence, the motion picture and television production industry is largely entrepreneurial and dominated by small businesses and individuals. This total includes only those businesses directly involved in making or distributing motion pictures and television shows, and does not include business that do not work with our industry on a full time basis, like lumberyards and florists.

Few industries in the world are as large and yet depend so heavily on an economically diverse work force based on regional networks collaborating on projects. The graphic on the following page illustrates the vast array of individuals vital to bringing a motion picture or television program to fruition.

In addition, the core production industry made \$38.2 billion in direct payments for goods and services to vendors large and small in 2007. The vendors receiving these payments are not only specialized businesses that comprise and exclusively serve the entertainment industry, such as

wardrobe companies and camera equipment firms, including the 115,000 businesses noted above, but also innumerable general suppliers serving many other industries, such as caterers, lumberyards, apparel retailers and florists.

A Contributor to State and Federal Coffers

Communities zealously promote entertainment development because the motion picture and television industry attracts capital, creates a local production-related workforce, and generates tax revenues critical for public needs.

In 2007, just two types of taxes – taxes paid by industry workers and sales taxes on goods and services - generated approximately \$13 billion in public revenues in the United States. This included \$4.1 billion in income taxes at the federal level and \$1.9 billion in income taxes at the state level, along with \$6.4 billion in additional unemployment, Medicare and Social Security taxes, in addition to sales taxes on goods.

Other taxes paid, but that could not be quantified for this study, include corporate income taxes, property taxes and business license taxes. Also not included are tax revenues generated by indirect employment.

A Successful Exporter of American Products

The American motion picture and television production industry remains one of the most highly competitive around the world. In 2007, the enduring value and appeal of U.S. entertainment around the world earned \$15 billion in audiovisual services exports, a 23 percent increase over 2006 and over 50 percent more than in 2003. The 2007 total is the highest since tracking began in 1992.

Moreover, this industry is one of the few that consistently generates a positive balance of trade. In 2007, that surplus was \$13.6 billion, or 10 percent of the total U.S. private-sector trade surplus in services. The motion picture and television surplus was larger than the combined surplus of the telecommunications, management and consulting, legal, and medical services sectors, and larger than sectors like computer and information services and insurance services.³

The international market is vital for American motion picture and television product. MPAA member companies' international revenue has more than doubled in the last dozen years and nearly half of revenue is now derived from outside the U.S., making these international markets vital to American jobs.

International audiences continue to appreciate American products, but this industry also continues to innovate and increase its success internationally by co-producing films and television shows with foreign companies, acquiring and distributing foreign-made films and television shows in the U.S. and around the world, and making strategic investments overseas.

Understanding film and television credits

The reason film credits can be so long is that film-making draws on the efforts of numerous people over an extended period of time. The process of taking a film or television show from idea to audiences involves several key phases and a wide assortment of skills. Based on a typical live action film, following are a few examples of workers involved in a film. Many of these workers are involved on all or multiple phases of the production.

1. DEVELOPMENT

Coming up with an idea, writing a script and pitching it.

Agents	Business managers	Investors	Personal Assistants	Screenwriters
Assistants to the producers	Consultants	Lawyers	Producers	Studio executives
	Executive producers	Line producers	Publicists	

2. PREPRODUCTION

Developing, planning and visualizing the idea. Preparing a budget, hiring crew members, and making a schedule.

Art department assistants	Choreographers	Costume supervisors	Location assistants	Props masters
Art department coordinators	Concept artists	Costumers	Location managers	Set designers
Art directors	Construction coordinators	Dialogue coaches	Paint foremen	Set decorators
Artists	Construction electricians	Directors	Production assistants	Set dressers
Assistant directors	Construction first aid	Directors' assistants	Production designers	Set staff assistants
Carpenters	Construction foremen	Directors of photography	Production managers	Storyboard artists
Casting directors	Construction grips	Financial executives	Props builders	Stunt coordinators
	Construction workers	Illustrators		Tailors/seamstresses
	Costume designers			Wardrobe

3. PRODUCTION

Shooting scenes, working with cast, locations and reviewing footage.

Accounting clerks	Electricians	Payroll accountants	Property workers	Stills photographers
Actors	Extras	Picture car coordinators	Script supervisors	Stunt performers
Animal handlers	Extras casting coordinators	Picture car drivers	Set strike workers	Swing gang workers
Assistant accountants	First aid workers	Picture editors	Sound editors	Teachers/welfare workers
Assistant directors	Gaffers (lighting)	Production accountants	Sound technicians	Technical advisors
Boom operators	Grips (set operations)	Production coordinators	Special effects coordinators	Transportation coordinators
Camera loaders	Hair stylists	Production sound mixers	Special effects supervisors	Transportation captains
Camera operators	Makeup artists	Property masters	Special effects technicians	
Caterers	Office coordinators		Standby painters	
Cinematographers	On-set dressers			
Drivers				

4. POSTPRODUCTION

Editing the film, adding titles, music and special effects.

Audio recording engineers	Dubbing editors	Film and video editors	Musicians	Special effects technicians
Composers	Editing room assistants	Lab technicians	Projectionists	
			Sound designers	

5. DISTRIBUTION

Taking the finished product and bringing it to theaters, home video, television, online and other venues for audiences to see it.

Accountants	Distribution executives	Licensing executives	Partnership developers	Sales staff
Advertising executives	Financial managers	Marketers	Publicists	

Production around the country

All of the 50 states and the District of Columbia have film and television production activity. Throughout this report there are several spotlights highlighting the positive economic impact of on-location production on communities around the nation. California and New York, the historical centers of film and television production activity, are still the bellwether states. However, production activities are increasing in many key states. Following are the top production states outside of California and New York based on several factors: amount of productions industry-wide; production employees and wages; and the total number of vendors and vendor payments made by MPAA studios during 2007:

Top 10 Production States outside CA & NY⁴

Illinois
Texas
Florida
Georgia
Pennsylvania
New Jersey
North Carolina
Louisiana
Tennessee
Massachusetts

States to Watch

Michigan
Arizona
Connecticut
New Mexico
Utah

States to watch are based on the above factors, as well as 2008 production levels, tax incentives, and economic impact of the industry.

Making an impact in states

In 2007 and 2008, film and television production and distribution contributed to the economies of all 50 states and the District of Columbia. In fact, 40 states and DC have found production activity to be so beneficial that they have enacted specific incentives to increase production in their states (denoted with an asterisk below). Following is information from state film commissions and industry sources on local production activity in 2007 and 2008, examples of recent productions in each state, and state-by-state details on wages paid by the motion picture and television production and distribution industry in 2007, the most current data available at the time of printing.

State	Movies and TV filming in 2007	Movies and TV filming in 2008	Recent Examples (2008 in bold)	Wages Paid by Motion Picture & TV Industry in 2007
Alabama*	14	21	Final Destination: Death Trip 3D	\$214,929,950
Alaska*	2	4	Corporate Headquarters, Deadliest Catch (TV) , Into the Wild	\$24,975,280
Arizona*	147	106	Away We Go, Middle Men (TV) , The Kingdom, Kids in America (TV)	\$280,873,230
Arkansas*	2	5	Chasing the Dragon, 17 Kids & Counting (TV)	\$72,381,540
California*	529	480	American Idol (TV), Angels & Demons, G.I. Joe: The Rise of the Cobra , 24 (TV), Frost/Nixon	\$16,328,697,760
Colorado*	14	16	NowhereLand, E-Vet Interns (TV) , The Bucket List, The Prestige	\$474,326,920
Connecticut*	45	31	Indiana Jones and the Kingdom of the Crystal Skull, Revolutionary Road , College Road Trip	\$505,510,030
Delaware	1	1	Detox , National Treasure: Book of Secrets	\$15,862,410
District of Columbia*	36	21	Night at the Museum: Battle of the Smithsonian, Bones (TV) , Get Smart, The Bourne Ultimatum	\$444,379,000
Florida*	41	35	New in Town, Burn Notice (TV) , Ace Ventura 3	\$1,470,812,940
Georgia*	82	92	Road Trip II, House of Payne (TV) , Stomp the Yard	\$1,233,900,560
Hawaii*	22	18	Lost (TV), The Informant , Forgetting Sarah Marshall, Pirates of the Caribbean: At World's End	\$101,539,030
Idaho	4	3	Norman Waiting, Vagabond Lane, Baby Borrowers (TV)	\$61,509,810
Illinois*	72	38	Judge Mathis (TV), Eagle Eye , The Dark Knight, ER (TV)	\$1,054,732,960
Indiana*	4	9	American Teen, Made (TV)	\$274,702,220
Iowa*	3	7	Ticket Out, South Dakota	\$91,519,090
Kansas	3	9	My Own Love Song , Bunker Hill	\$110,043,280
Kentucky	5	6	Jefferson Davis: An American President (TV)	\$142,103,790
Louisiana*	54	56	The Open Road, Cirque du Freak, Imagination Movers (TV) , The Curious Case of Benjamin Button	\$316,826,550
Maine*	9	2	Shutter Island	\$80,428,020
Maryland*	10	7	My One and Only , Step Up 2: The Streets, The Wire (TV)	\$494,769,410
Massachusetts*	15	27	Paul Blart: Mall Cop, Surrogates , The Game Plan	\$495,900,770
Michigan*	11	43	Gran Torino, Prayers for Bobby (TV) , Semi-Pro	\$523,910,450
Minnesota*	4	14	A Serious Man, Transylvania Television	\$340,791,420
Mississippi*	3	9	Austin's Attic, M for Mississippi	\$24,853,150
Missouri*	10	14	The Apology Dance, Works in Progress , Farmer Wants a Wife (TV)	\$304,641,120

State	Movies and TV filming in 2007	Movies and TV filming in 2008	Recent Examples (2008 in bold)	Wages Paid by Motion Picture & TV Industry in 2007
Montana*	47	51	My Sister's Keeper, Modern Marvels (TV) , Taking Chance	\$36,241,200
Nebraska	9	1	For The Benefit of Mr. Buffett , Yes Man	\$15,472,270
Nevada	234	264	Race to Witch Mountain, The Bachelor (TV) , What Happens in Vegas	\$170,614,550
New Hampshire	15	29	Mystery Team, The American Experience: We Shall Remain (TV)	\$86,743,230
New Jersey*	26	38	The Wrestler , The Sopranos (TV)	\$763,357,780
New Mexico*	36	47	Terminator Salvation, Breaking Bad , Wild Hogs, No Country for Old Men	\$118,798,420
New York*	371	351	Confessions of a Shopaholic, Saturday Night Live (TV) , Enchanted, Duplicity, I Am Legend	\$7,420,591,410
North Carolina*	43	26	Nights in Rodanthe, One Tree Hill (TV) , The Guardian	\$175,884,300
North Dakota	4	4	Kristen Dunst/Jacob Soboroff Documentary , Dangers from Within	\$27,423,280
Ohio	8	6	The Soloist , Spider-Man 3	\$499,442,690
Oklahoma*	2	6	Barking Water , Four Sheets to the Wind, Saving Grace (TV)	\$154,530,790
Oregon*	6	9	Twilight, Without a Paddle: Nature's Calling , Mr. Brooks	\$224,782,510
Pennsylvania*	57	52	Marley & Me, She's Out of My League , Baby Mama	\$732,182,650
Rhode Island*	23	21	Brotherhood (TV) , Underdog, Dan in Real Life, 27 Dresses	\$48,395,970
South Carolina*	6	9	Nailed, Army Wives (TV) , Leatherheads	\$127,054,190
South Dakota	18	39	Rez Bomb, Dinosaur Dig (TV)	\$6,117,790
Tennessee*	30	26	Can You Duet (TV), Gone Country (TV), Hannah Montana: The Movie	\$553,752,830
Texas*	134	115	Open Season 2, Friday Night Lights (TV) , There Will Be Blood, Prison Break (TV)	\$1,695,394,580
Utah*	28	47	High School Musical 3: Senior Year, Dogtown (TV) , Unaccompanied Minors, High School Musical 2	\$173,407,640
Vermont*	10	2	Dumping Lisa, Moonlight & Mistletoe	\$27,996,120
Virginia*	29	31	Body of Lies, Code Breakers (TV) , John Adams	\$610,258,250
Washington*	11	13	Traveling , The Last Mimzy	\$321,861,930
West Virginia*	32	25	The Road to Emmaus, PA , We Are Marshall	\$49,836,970
Wisconsin*	4	25	Nephilim, The Watch (TV)	\$231,803,610
Wyoming*	1	11	The Real Cowboys (TV), This American Life (TV) , Flicka	\$4,794,840

Filming data provided by local film commissions, and supplemented with data from industry sources where necessary. Methodology used by each commission varies, and efforts were made to harmonize to the greatest degree possible. Figures do not include commercials, sporting events, student films, or local-only programming.

Leatherheads in the Carolinas

The film *Leatherheads* was filmed in North and South Carolina during the winter and spring of 2007, covering communities in and around Greenville, South Carolina, as well as Charlotte, Winston-Salem and Statesville, North Carolina. Over two months of shooting, and several more of preparations and wrap-up, the *Leatherheads* production paid more than \$1.7 million in total wages to local cast, extras, crew and other employees in South Carolina, and \$2.3 million in North Carolina. The film employed 4,720 local residents in South Carolina and 6,745 in North Carolina. Local businesses, including hotels, car rental outlets, hardware stores, dry cleaners and caterers, received payments of nearly \$3 million in South Carolina, and just under \$2.5 million in North Carolina.

Behind the numbers are countless stories of collaboration, from the generous support from the small town of Greer, South Carolina, with its period-perfect storefronts; to the historic Vance Hotel in Statesville, North Carolina; to local real estate agents in South Carolina, who delayed construction at the Calhoun Hotel in South Carolina so filming could occur prior to its conversion into condominiums; and to the North Carolina train museum, which provided the picture-perfect trains in the film.

Spotlight

On-Location Production is Good for America: Messages from Key Policymakers

"Virginia has always recognized the positive economic impact that film production has on the state and local economies--that's why the Commonwealth has made it a priority to recruit and attract film and television production. Virginia will continue to look at conventional and innovative ways to attract additional film and television production--and the associated benefits in terms of jobs and economic growth.

The Emmy Award winning *John Adams* miniseries was filmed in Virginia in 2007 and added \$80 million in economic impact and 2,000 jobs to the state while stimulating the local economies where it was filmed."

- Commonwealth of Virginia Governor Timothy M. Kaine

"Georgia's excellent talent base and outstanding locations make our state a very desirable place to film. Our new legislation puts in place the economic cornerstone that will encourage producers to convert that desire into action."

-Georgia Governor Sonny Perdue

"Chicago is one of the best cities in the world to film television and movie productions because of our city's incredibly picturesque settings, talented actors, directors and crew combined with the commitment from our city and state governments.

Increased production creates jobs for the hard-working people of our city – not only actors and crew members, but also caterers, electricians, truck drivers and all the others who devote their talents and skills to the project.

For example, when Warner Bros. filmed *The Dark Knight* in Chicago, it generated a record \$40 million in revenue, employed more than 4,000 people and purchased goods and services from over 300 vendors.

I'm proud that Chicago is able to meet the creative needs of the productions while providing people with jobs in this dynamic and growing industry."

-Chicago, Illinois Mayor Richard M. Daley

"We recognize the enormous positive impact motion picture and television production can have on creating jobs and revenue to small businesses across the United States. That's why I am interested in continuing to work with the legislature on how to make Kentucky an even more attractive venue for the film industry. In these challenging and uncertain times for the economy, the creation of movies and television programs can potentially be a bright star on the horizon for the Commonwealth."

-Kentucky Governor Steve Beshear

"By enacting one of the most competitive film incentive packages in the nation we are growing a new job-creating industry in Michigan. As we continue to work to diversify Michigan's economy, we are proud to be at the heart of the film renaissance and we look forward to continued robust growth in Michigan's film industry."

-Michigan Governor Jennifer M. Granholm

"The film and TV industries are crucial to New York State's economy, contributing an estimated \$7 billion annually. In 2008 we raised the New York State Film Production Credit to 30% of qualified costs, three times larger than the credit it replaced. As a result more than 60 feature films took advantage of our new incentives, 20 television pilots and 30 television show productions. These new projects will spend more than \$2 billion in our great state. The industry as a whole is a vital economic engine for our state, luring tourists and employing more than 100,000 people. From Montauk to Niagara Falls and all points in between, New York State is home to some of the most desired and diverse filming locations across the country."

-New York Governor David A. Paterson

"Texas, more so than most states, has enjoyed a long history of on-location filming. For more than 50 years, we have seen economic benefits flow to our workforce and especially to the small businesses serving the industry, in all parts of the state. Now, with more than 40 states offering incentive programs, we are working to become more competitive, to bring these proven benefits back to Texas. I am proud of our production industry, and will do everything I can to preserve this essential part of Texas' economy."

-Texas Governor Rick Perry

"More than 100,000 local New Yorkers rely on the behind-the-scenes jobs that are created when film and television productions shoot in our City. This past season alone, we hosted 17 primetime television shows, with each show employing 1,000 to 2,800 people per season. In addition, 4,000 local businesses reap the benefits of this production business, and that includes lumberyards, hardware stores, dry cleaners, and restaurants. Films and television shows also help attract millions of tourists to our City, and all of them spend money in our local businesses. All told, the film and television industry generates about \$5 billion each year in local economic activity, making it one of our most important – and exciting – industries."

-New York City Mayor Michael R. Bloomberg

"Oregon has been able to attract more production to the state through the Oregon Production Investment Fund and Greenlight Oregon. In 2003, we created the Oregon Production Investment Fund, which offers a financial incentive to qualified productions. In 2005, Greenlight Oregon was created, giving the state's film office a package of incentives that has been instrumental in making Oregon a serious player in the competition for major film and television productions. These productions create jobs and generate millions of dollars in economic activity."

-Oregon Governor Ted Kulongowski

"The motion picture and television industry helps drive California's diverse economy, employing over 200,000 Californians and generating more than \$35 billion in economic activity. And the reach of production goes beyond the people directly employed by the industry, affecting businesses large and small throughout our economy. We value the production industry not only for its contribution to our economy in these challenging economic times, but also for its creative and entrepreneurial spirit – for which California is known throughout the world."

-California Governor Arnold Schwarzenegger

"Los Angeles is proud to be America's creative capital and the undisputed home to the motion picture and television industry. The stories of Hollywood reflect the best talents and contributions of our nation's most inventive and innovative minds. And there is no doubt that the entertainment industry will remain a strong and thriving engine for our local economy. From the mega-stars of the silver screen to the makeup artists, costume designers, stage hands, and sound engineers behind-the-scenes, LA will continue to offer an open, accessible, and welcoming set for this iconic industry."

-Los Angeles, California Mayor Antonio Villaraigosa

Surrogates in Massachusetts

The film *Surrogates*, based on the comic book series of the same name, was filmed in Massachusetts during a 24-week period. The production spent \$21 million in Massachusetts with hundreds of local vendors, including dry cleaners, lumber suppliers, hotels, restaurants, rental car services, furniture rental services and retailers, crane companies, and local labor. *Surrogates* hired hundreds of local crew including office staff, drivers, electricians, grips, and carpenters, and over 2,000 background locals as extras. In the many cities around the state where *Surrogates* filmed, upgrades were often made to locations used. For example, the production spent thousands of dollars to upgrade offices, a phone system and a warehouse in Woburn that are currently being used by local businesses.

Shutter Island in Maine and Massachusetts

Shutter Island, based on the novel of the same name by Dennis Lehane, was filmed in locations in and around Bar Harbor, Maine and Boston, Massachusetts during 2008. During 18 total days on location in Maine, including three days of shooting, the *Shutter Island* production spent nearly \$170,000 with various local vendors. The production encompassed over five months on location in Massachusetts, including 89 shooting days. During that time, over \$22 million was spent in the local economy, including \$8.3 million on payroll – employing 460 crew members, 15 actors and 478 extras -- and \$11.4 million on local vendors. These included crane and scaffolding vendors like Marr Equipment, NES Rentals and United Rentals, which provided the scaffolding and cranes that were required on almost every day of production; and building supplies vendors like Burnett & Moynihan and Lynn Lumber, which provided materials for extensive construction projects, like the renovation and outfitting of a large medical facility.

Shutter Island mobilized a strong source of production specific services from Massachusetts, including production equipment such as cameras from Boston Camera and generators from All State Power & Control Inc.; production facilities, including tent and warehouse rental; transportation like crew car rental and local boating; and of course, significant local employment of crew, actors and extras. For members of the production that came from out of state, \$2.6 million was spent on local hotels, including The Intercontinental Boston, Hilton Dedham and Residence Inn Dedham. These visitors also impact local business in the proximity, patronizing local health clubs and restaurants, including Benjamin's Restaurant in Taunton, which became a frequent dining choice for Martin Scorsese and friends, and That's Amore Brick Oven Pizza, which fed the production crew.⁵

Spotlight

Investing in infrastructure and community development

In addition to direct entertainment production payrolls and expenditures, the motion picture and television industry actively invests in infrastructure and facilities that have a positive effect on community development and local real estate markets. Following are a few samples of such capital projects.

- The multi-million dollar film and TV studio, Tyler Perry Studios, opened in **Atlanta, Georgia** in October 2008. The 30-acre studio features over 200,000 square feet of studio and office space, including five soundstages.⁶
- The \$45 million Celtic Media Centre, being constructed on a 20-acre lot in **Baton Rouge, Louisiana**, includes 11,000 square feet of stage space, 6,000 square feet of office space, and 4,000 square feet of post-production space. Raleigh Studios Baton Rouge, housed in the Celtic Media Centre, is also constructing a new studio.⁷
- Construction on Norristown Studios at Logan Square in **Norristown, Pennsylvania** is expected to be completed in 2009. The 280,000 square-foot production facility will have eight sound stages, post-production facilities, and 180,000 square feet of support space, including a vocational school to be used by local universities.⁸
- Twentieth Century Fox opened a five-story office building on its **Century City, California** lot in 2006 and the studio is nearing completion on another office building and parking facility.⁹
- Spiderwood Studios, being constructed on 200 acres in **Bastrop, Texas**, to include facilities for set and prop design and construction, sound stage, production offices, and back lot, was close to finishing the first phase of construction in December 2008.¹⁰
- EUE/Screen Gems Studios in **Wilmington, North Carolina** broke ground on a new 37,500 square-foot sound stage (Stage 10) on its 50-acre studio lot in September 2008. Stage 10 will feature a 60-foot-by-60-foot indoor water tank.¹¹
- Nu Image/Millennium Films broke ground on a new studio in **Shreveport, Louisiana** in April 2008. The Millennium-Ledbetter Film Studio, which will be built on 6.7 acres and will eventually expand to 20 acres, will accommodate up to six productions and employ up to 500 production personnel.¹²
- Plymouth Rock Studios is building a \$488 million, 240-acre film and television studio complex in **Plymouth, Massachusetts**. The studio complex will include 14 sound stages, a 10-acre back lot, production offices, post-production facilities, a theater, offices, an amenity village, and a 300-room hotel. Plymouth Rock Studios, which is expected to create over 2,000 jobs, will also house M.I.T. Media Laboratory's new Center for Future Storytelling.¹³
- The G-Star School of the Arts for Motion Pictures and Broadcasting in **West Palm Beach, Florida**, which has a motion picture studio on campus where over 20 feature films have been produced, is building an \$8 million sound stage to be completed in Fall 2009.¹⁴

Albuquerque Studios

By Jeremy Hariton, Albuquerque Studios

The Albuquerque Studios opened on June 1, 2007. At a cost of \$91.5 million, the entire facility was privately financed and none of the investment was subject to the rebate incentive offered by the state of New Mexico. The studio includes eight sound stages of 18,000 and 24,000 square feet, which can be paired into spaces that double in size, 95,000 square feet of production office space, and 70,000 square feet of mill space. The overall project consists of over 400,000 square feet on 28.1 acres.

Over the initial 20 months of operation the studio has played host to two television series; *In Plain Sight* and *Breaking Bad* as well as four feature films; *The Spirit*, *Game*, *Terminator Salvation: The Future Begins* and *The Book of Eli*. These productions have created over 2,600 high paying production jobs and over \$221.5 million in direct spending in the state. Along with the infrastructure cost The Albuquerque Studios has generated over \$313.0 million in its short 20-month existence. The Albuquerque Studios has paid over \$7 million in gross receipts tax to the state over its first 20 months of operations and pays an estimated \$600,000 in property taxes annually.

- Capital Studios (formerly Sunset Gower) recently completed a \$40 million six-story, 96,000 square-foot building to house post-production operations of Technicolor Inc on the 15-acre Sunset Gower Studios lot in **Los Angeles, California**.¹⁵
- SHM Partners is pursuing plans to build Kapolei Studios on a 22-acre site on the island of Oahu in **Hawaii**. The studios will include four 18,000 square-foot sound stages; 60,000 square feet of office, dressing room, set construction and production office space; a student film annex for University of Hawaii's Academy of Creative Media; a commissary/screening room facility; and a backlot with workable sets and retail venues.¹⁶
- Sony Pictures Entertainment is constructing two four-floor buildings on its **Culver City, California** lot of 125,000 and 96,000 square feet, to be completed by the summer of 2009.¹⁷
- Groundbreaking is expected to occur in 2009 for Santa Fe Studios located in **Santa Fe, New Mexico**. The studio will consist of 10 sound stages on 500,000 square feet.¹⁸
- In March 2009, Evergreen Films opened a \$10 million production and post-production facility in **Anchorage, Alaska**. They are looking for partners to build a high-end sound stage and studio facility in Anchorage.¹⁹
- The \$125 million Commonwealth Studios, set to break ground in **Moorpark, California** in April 2009, will offer 14 soundstages on a 37-acre lot, including an exterior backlot featuring city streets plumbed for rain and fire effects.²⁰
- The Museum of the Moving Image, dedicated to the art, history, technique, and technology of film, television, and digital media, in **Astoria, New York** broke ground in February 2008 on a \$65 million expansion to the Museum that will double its size and is expected to be completed in late 2009.²¹
- The Jacob Burns Film Center in **Pleasantville, New York** opened a new 27,000 square-foot Media Arts Lab in December 2008, containing 16 editing suites, five film studios, an animation studio, a recording studio, a sound stage, a library, and a 60-seat screening room.²²

Building in Michigan

Michigan's aggressive film production attraction efforts are expected to create 5,993 new jobs in Michigan, including 4,066 new film, animation and programming jobs. The new efforts include two major motion picture infrastructure projects, leading to investment of more than \$156 million in Detroit and Pontiac. Wonderstruck Studios' \$85.9 million venture, to be known as Detroit Center Studios, will produce computer-generated (CG) visual effects and animated content, while Motown Motion Pictures' \$70 million venture in Pontiac will be both a film studio and a production services company in a 600,000-square-foot development with nine sound stages.²³ Both projects will result in permanent production-related jobs in Michigan, and are among numerous infrastructure projects in Michigan, like the City Center Studios project in **Lansing, Michigan**, which will include two 24,000 square-foot sound stages, production offices, and post-production and screening facilities.²⁴

The Industry's Eco-Friendly Building Practices

The motion picture and television production industry has developed and adopted best practices for reducing waste and carbon emissions, and encouraging recycling and energy conservation, in all areas of film and television production. For over a decade, the industry has annually diverted more than 50 percent of studio sets and other solid waste from landfills to reuse and recycling. In 2008, the amount diverted was over 20,000 tons, which prevented the emission of nearly 34,000 metric tons of greenhouse gasses - the annual equivalent of removing over 7,000 cars from the road.

The eco-friendly efforts extend beyond recycling movie and TV sets, to the studios' major building projects, where they are constructing new buildings according to Leadership in Energy and Environmental Design (LEED) guidelines; installing water-conservation measures, and receiving energy from alternative sources such as several major solar energy installations generating major kilowatts of power for the facilities.

The Dark Knight in Chicago

The Dark Knight, which was filmed in Chicago during the summer of 2007, spent over \$35 million in the local economy. The 65-day shoot directly employed 900 crew members, 88 actors and 7,500 man/days of extras, who were paid \$18 million in wages. It also generated \$17 million in payments to 793 local vendors, including more than \$3 million in spending on hotels, \$1 million on catering, \$1 million on office rental and equipment, and \$980,000 on lumber and other set materials.

Although there were many film-industry specific vendors, like lighting equipment or film processing, the vast majority of local Chicago vendors that provided service for *The Dark Knight* production were from outside the industry, illustrating the widespread effect. NAPCO Steel provided more than 60 tons of steel for sets and special effects stunts – including building a steel cylinder that was embedded in the street that popped out and flipped over a semi tractor-trailer. Service Glass removed existing glass walls and doors in both the IBM Building and Illinois Plaza and replaced them with breakaway glass for stunt sequences. Gatwood Crane provided the industrial-sized cranes for a key scene. North Suburban Asphalt completed road work for the production and a local lumber supplier provided much of the production's needs for set construction. These are a few examples of the vital service provided by local Chicago vendors, and the far-reaching effects of one two-month film shoot.

Spotlight

Promoting Tourism

An increasing amount of film and television production is taking place throughout the United States, leading to a positive impact on tourism as fans are eager to visit locations featured in movies and television shows. Filming locations are highlighted in DVD Special Features and online sites with behind-the-scenes information, making it easier for film fans to identify destinations that they want to visit. 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, and found that a location featured in a successful film can see an increase of up to 75 percent in tourism the year after the film is released.²⁵

The effect from individual films can vary and research has shown that collaborative campaigns between the tourism and film industries are the most powerful way to induce film tourism.²⁶ Tourism organizations can use films as springboards for marketing campaigns in order to promote their city or attraction. The Santa Barbara Conference and Visitors Bureau effectively promoted Santa Barbara wine country by offering visitors a detailed map of locations from the film *Sideways*. As a result, certain Santa Barbara County wineries saw a 300-percent increase in visitors a year after the film was released.²⁷

Companies are also offering professional tours of film locations in cities like Boston, Washington D.C. and New York City so visitors can visit the sites where scenes from movies like *Good Will Hunting*, *Wedding Crashers*, and *The Sopranos* were filmed.²⁸ According to On Location Tours, Inc., the largest such TV and movie locations tour company, the *Sex and the City* tour in New York City was already drawing 1,200 visitors per week even prior to the release of the film in 2008.

Certain destinations can see increases in tourism long after the film is released. Twenty years after the release of *Field of Dreams*, the town of Dyersville, Iowa still gets 65,000 tourists a year to visit the cornfield in the film.²⁹ The town of Preston, Idaho, featured in *Napoleon Dynamite*, hosts an annual Napoleon Dynamite Festival for tourists visiting because of the film.³⁰ A survey completed by the New Mexico Tourism Department indicates that film-related tourism accounted for an estimated 5.5 percent of total New Mexico tourism expenditures in 2008, due to visitors' interest in seeing where movies like *No Country for Old Men* and *3:10 to Yuma* were filmed, even though those films did not specifically identify New Mexico locations.³¹ Certain locations in Alaska saw a 100-percent increase in tourism as a result of the film *Into the Wild*.³²

***Sex and the City* and New York City**

The television show *Sex and the City*, based on the novel by Candace Bushnell, was on location in and around Manhattan for six seasons from 1998 to 2004. In the last few months of 2007, a feature film based on *Sex and the City* went on to film in New York City. Both the show, which aired on television and was released on DVD all over the world, and the film, which opened in theaters around the world during 2008 and was recently released on DVD, were unparalleled advertising for the city of New York and its attractions. Locations featured in the show, such as hotels, shops, bakeries and restaurants, see traffic from fans and have made special movie-related packages, as have local tour companies.³³ NYC & Company - New York City's official tourism marketing organization - used the film as a cost-free way to promote the city, highlighting the film and its locations on its website, and launching international promotions to amplify the impact of the film. George Fertitta, CEO of NYC & Company, says, "*Sex and the City* has been one of the all-time great commercials for the city of New York. There's all of the fabric and the texture and the vibrancy of New York. ... It shows everything: from a great shopping component to a nightlife component, to a restaurant component."³⁴

***Nights in Rodanthe* and the Outer Banks of North Carolina**

By Carolyn McCormick

Managing Director, Outer Banks Visitors Bureau

The motion picture *Nights in Rodanthe*, based on the bestselling novel by author Nicholas Sparks, was shot on location in the Hatteras Island village of Rodanthe, in the Outer Banks of North Carolina. Pictured here is the real oceanfront cottage that is portrayed as the fictional Inn at Rodanthe. The filming of *Nights in Rodanthe* employed 160 local crew member and 248 local talent and extras, and generated in-state production spending of over \$10 million, with \$3 million on Hatteras Island and the village of Rodanthe.

But the movie's impact goes far beyond filming. With its release in theaters, on video and on television, the world gets to see the beauty of the Outer Banks on an epic scale. The Outer Banks Visitors Bureau is promoting tourism based on movie scenes and nearby locations through a special *Nights in Rodanthe* tour, and ads featuring a specific location and a caption referring to its presence in the motion picture. Since the movie's release in theaters and the publicity around the movie, traffic to Hatteras Island and inquiries to visit the locations of the movie have increased by 20 percent. The Visitors Bureau's movie-related websites have received tens of thousands of new visitors. We anticipate visitors from around the world in 2009 and have already seen many taking the trip this last fall of 2008.

The economic climate has made the competition for the tourism dollar even more challenging. Having a major motion picture filmed on location has enabled the Outer Banks and the people of the Outer Banks to be introduced to the world. As the COO of the public authority responsible for the core of our economy, which is tourism, this opportunity to have Hollywood spend time here and feature our destinations could not have come at a better time. The experience and challenges that we all faced during filming will forever be a highlight of my 22-year career. And for that I thank the world of motion pictures.

Marley & Me in Florida and Pennsylvania

The film *Marley & Me*, based on the memoir of the same name by John Grogan, was filmed on location in two states: Florida, where John and his wife began married life; and in Pennsylvania, where the Grogan family later resided, and where they live to this day. These settings are critical to Grogan's book and to the film.³⁵ The production spent 113 days on location in Florida, injecting \$10.1 million into the local economy, including \$1.1 million at seven different hotels including The Mutiny Hotel and The Sonesta Hotel & Suites and \$5.1 million in wages to 2,020 local personnel hires. Local vendors included C.F.R. Coastal Enterprises, which provided soundproofing for the set, and Foliage Express, Inc. and Shell Lumber & Hardware, which provided set construction materials. In Pennsylvania, \$2.2 million was spent over 36 days in production, and 480 people were hired locally. Two local residents making an appearance in the film were the Grogans themselves, who appeared in the film as participants in the obedience school sequence.

In addition to the 2,500 additional cast, extras, crew, security, off-duty government personnel, and office personnel hired locally by the production, the film features 22 even more remarkable employees – the 22 dogs used to portray Marley, who ages thirteen years in the story. Since films shoot scenes out of sequence, eleven Marley puppies were needed, while the other eleven Marleys ranged in age from six months to fourteen years. The complexity of coordinating these 22 employees and their on-screen appearances kept the animal trainers and handlers extremely busy. They spent weeks training the dogs, acclimating to the shooting locations, and polishing their "skills," all of which was observed by American Humane animal safety representatives, who noted that the best part of the experience was seeing some of the shelter dogs used in the film adopted following production.³⁶ One of the Marleys was adopted by the author³⁷, but the Marley puppy who seemingly took his "training" most to heart belongs to a woman in West Kendall, Florida, who has her hands extremely full with a Marley just like the original.³⁸ The film may have a positive effect on the dog training industry – the Association of Pet Dog Trainers used the film as an opportunity to promote effective dog training and qualified trainers around the country.³⁹

Spotlight

Online Production and Distribution

Most people are familiar with watching trailers, finding movie tickets and buying DVDs online, but the Internet is an even more exciting space for distributing motion picture and television, on-demand, wherever and whenever the viewer wants it. Motion picture and television producers are providing full-length television shows and films at countless websites – over 50 in the U.S. alone – for people to view, to rent, or download to own. The sites are not only from telecom and online players like Apple, but television networks like ABC, pay television operators like HBO, social networking sites like MySpace, retailers and retailers like Amazon and Netflix, gaming systems like PlayStation and Xbox and new ventures devoted entirely to this space like Hulu and TV.com.

Such websites are growing in popularity. More than 75 percent of people online view videos. A few examples of popular sites for films and TV shows are:

ABC.com

In the first year of the broadband player launched on ABC.com (September 2006-2007), users watched over 140 million episodes of ABC primetime series.⁴⁰ As of January 2009, that number is now over 500 million episodes.⁴¹

Apple - iTunes

As of October 2008, the iTunes store has sold over 200 million television episodes since inception three years earlier, including more than 1 million high definition episodes in the one-month since launch.⁴² iTunes customers are also renting and purchasing over 50,000 movies online every day.⁴³

Hulu

Hulu, which just launched to the public in March 2008, was the 6th ranked website in the U.S. in videos viewed by December, with 241 million videos viewed, and 25 million unique viewers⁴⁴ and reached the number two position by February 2009.⁴⁵

Nickelodeon – Nick.com

Nick.com delivered 69 million streams and 2.5 million unique video viewers in February 2009. Users viewed an average of 39 minutes of videos on the site.⁴⁶

Xbox & Netflix

Xbox movie and television sales online increased 174% between December 2008 and January 2009, compared to December-January of last year.⁴⁷

Xbox Live users watched 25 million hours of movies and TV shows from Netflix on their Xbox in the three months following launch in November 2008.⁴⁸

Marketing and distributing movies and television shows online not only meets consumer demand, but creates new jobs and demand for technology innovation in the areas of engineering, software development, web design, advertising and marketing, legal and more. It even creates new opportunities for professional production specifically for the Internet, such as “webisodes” produced by major networks from their shows, or new content provided by online-only production companies.

Pioneering technological advancement in storytelling and distribution

The American motion picture and television industry is a world leader in developing and deploying new technologies, providing highly-sought after jobs at the cutting-edge intersection of entertainment and technology. Whether it is pioneering and expanding the field of computer animation and computer-generated imagery (CGI) for film, pursuing advanced 3-D display, or utilizing the highest quality audio technology, the industry has continued to further the use of technology used in film and technology production at every stage. Beyond production, the industry is aggressively involved in the development of new technologies to provide enhanced filmed entertainment to consumers in theaters, at home and on the go. The efforts of many hard-working and inventive people mean that consumers can now enjoy digital and 3-D cinema in theaters and highest quality entertainment formats in the home (Blu-Ray, high definition televisions, network connected set-top boxes and personal video recorders), while also having countless options for watching content on the go (websites offering streaming, rental and downloaded entertainment, SD cards with movies, mobile phones that can receive broadcast or streaming content, etc). The motion picture industry's engineers and other employees are also collaborating with other industries to enable "buy once, play anywhere" downloading, provide consumers with digital copies of films with their packaged discs, enable rich digital and online features on Blu-Ray discs, and permit DVD-burning of legally downloaded content, while still protecting the investment of the creator.

The industry's demand for new methods of storytelling, advanced special effects, and improved sound and visual quality, has resulted in innovations that not only enrich the viewing experience, but advance the progress of science and the public good. Examples of such innovations have come in areas such as:

- Building design and operation that reduce lifetime energy and resource consumption;
- Research and development of environmentally friendly fireworks;
- Facial recognition and biometric scanning;
- Crash barriers to secure facilities from unauthorized vehicle intrusions;
- Fasteners useful in high stress mechanical structures such as planes, bridges as well as roller coasters;
- Passenger restraint systems;
- Train car coupling systems;
- Improvements in wheelchair accessibility; and
- Handheld information devices to improve communication in multiple languages.

The Creators Behind Visual Effects

The inventive filmmaking of the American motion picture industry is made possible through the development of innovative technology and the creation of jobs on the cutting edge of visual effects. These jobs already number over 10,000, and are expected to grow over 25% in the next five to seven years.⁴⁹

Highly skilled artists combine their efforts with computer engineers to produce photorealistic characters and imagery in the field of computer-generated animation. Pixar, which unveiled groundbreaking computer-generated (CG) animation technology in November 1995 with the release of *Toy Story*, integrated CG animation with live action for their first time on *WALL-E* in order to produce a new look and feel.⁵⁰ The visual effects team at Blue Sky Studios must often write custom software tools in order to create the desired animated effect, such as exploding lava geysers or falling snow in the *Ice Age* films.⁵¹ In order to create the elaborate martial arts scenes in *Kung Fu Panda*, DreamWorks' team of artists and technical leaders used the largest number of moving cameras in a DreamWorks Animation picture to date.⁵²

Visual effects employees must constantly adapt existing technology to meet increasingly more complex and sophisticated filmmaking demands. When production started on the film *Spider-Man 3*, computer programs were not available that could achieve the effects needed. Sony Pictures Imageworks artists and engineers wrote code in order to manipulate millions of grains of sand as they formed a character made entirely of sand, resulting in one of the most visually complex characters in film history.⁵³

Similarly, technology did not exist that could make a faithful visual depiction of a character who is born old and ages in reverse, as in the film *The Curious Case of Benjamin Button*. Special effects company Digital Domain solved this problem by combining motion picture capture technology, high definition cameras and image analysis in new and unique ways in order to realistically portray this reverse life journey and overcome yet another storytelling challenge previously thought unconquerable.⁵⁴

These technological challenges are met by teams of hard-working individuals. To give you an idea of the scope, the creative team working on the 3D animated film adaptation of the book, *Cloudy with a Chance of Meatballs*, numbers 250 people. One full week's work by this team turns out two and a half minutes of footage.⁵⁵

Angels & Demons in Los Angeles

The movie *Angels & Demons*, based on the bestselling novel by Dan Brown, was filmed extensively in Los Angeles, both on studio sets carefully constructed to recreate Vatican City locations, as well as local venues like UCLA's Royce Hall. During its more than two years of production starting in December 2006, *Angels & Demons* employed over 1,400 U.S. workers, including over 1,000 union technicians like the 272 construction workers who did extensive set building; 73 actors; and 9,066 man-days of extras. Filming in Los Angeles took place during 103 days, including 87 days on the various stages constructed, as well as 26 days of post production.

Angels & Demons relied on small businesses and vendors to help create the settings and effects. Sprung Instant Structures provided massive tent structures used to reproduce famous Italian sculptures to scale. Wallpaper vendors carefully matched the walls of Vatican and church locations. And a team of over 450 visual effects illustrators and technicians worked on the multi-million dollar recreation of St. Peter's and other Italian landmarks for the big screen.

A project of this size, scope and duration requires the tremendous efforts from numerous people and businesses, and its economic impact is felt far and wide.

Spotlight

Methodology

The creative output of the American motion picture and television industry is widely recognized around the world, yet its contribution to the nation's economy is less well known. This purpose of this report is to shed light on the industry as a significant job creator and economic engine. The report is prepared by the Motion Picture Association of America (MPAA) using data from a number of sources, including studios, networks, key government agencies such as the Bureau of Labor Statistics and International Trade Administration, and various other proprietary and publicly-available data. Where 2008 data was available, it was used; however, at the time of printing 2008 data was not available for many of the sources.

All attempts have been made to calculate the full impact of the industry. However, we have been intentionally conservative with the appropriate Bureau of Economic Analysis' Regional Input-Output Multiplier (RIMS II) to calculate indirect jobs, and have not calculated further downstream dollar impact or "induced" effects from spending resulting from those jobs. Thus, the total economic impact is even greater, and more far-reaching, than revealed in this report.

Studios and Networks

Participants in a periodic survey supply employment, payroll, vendor expenditure and tax information covering all motion picture and television production functions to enable the Association to build a comprehensive picture of the size, scope, and impact of the industry.

The core survey data covered the following studios and networks: ABC, Dreamworks, Fox, NBC Universal, Paramount Pictures, Sony Pictures Entertainment, 20th Century Fox Film Corp. The Walt Disney Company, and Warner Bros., along with their subsidiaries and affiliates.

Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) provides additional information on employment in the industry. The BLS no longer publishes key employment data based on the U.S. Standard Industry Classification (SIC) codes. Since the SIC category 7819 of "Allied Services to the Motion Picture Production" was reallocated under the North American Industry Classification System (NAICS) into a number of different industry classifications, correspondence tables (census bridges) were used in an effort to capture more accurate employment figures. The same correspondence tables were used as in earlier reports. Note that according to Economic Research Associates, BLS captures the 85-95% of U.S. employees that are eligible for unemployment insurance.

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