

To: Candidates, Interested Parties
Fr: Motion Picture Association of America
Da: September 10, 2012
Re: Public Policy and the Entertainment Community: Five Important Things to Know About the Impact of the American Film and Television Industry on the US Economy

As candidates continue to engage with voters through town halls, community events and debates in the run-up to the fall elections, we wanted to compile some important information on the impact that the American film and television industry has on this country's economy and offer facts on some key public policies that impact our industry. The memo below is intended as a resource to provide you with a more complete understanding of these issues, and to help you answer questions that you may get from voters.

You can find more information about the impact of the entertainment industry on the American economy, including its state-by-state impact, at www.mpa.org. Of course, don't hesitate to reach out to us at the MPAA if we can answer further questions.

PUBLIC POLICY AND THE ENTERTAINMENT COMMUNITY: FIVE IMPORTANT THINGS TO KNOW ABOUT THE IMPACT OF THE AMERICAN FILM AND TELEVISION INDUSTRY ON THE US ECONOMY

- 1. The television and film industry is an important economic pillar of the US economy – and a major private sector employer. Film and TV production takes place in all 50 states across the country.**

The American film and television industry is a massive contributor to the US economy, generating \$42.1 billion in wages from direct industry jobs and distributing \$37.4 billion in payments to nearly 278,000 businesses around the country in 2010. Making movies takes more than just stars – it takes a vast number of hardworking creators and makers whose work takes place behind the camera and beyond. In fact, the entertainment industry is a major private-sector employer, supporting 2.1 million jobs across the country in 2010. These jobs exist in every state, and boast average salaries 32% higher than the national average.

When shooting on location, major motion pictures contribute an average of \$225,000 daily to the local economy. TV productions contribute an average of \$150,000 every day. Simply put, wherever production goes, jobs follow. In total, the entertainment industry is comprised of 95,000 businesses across the country, 80% of which are small businesses employing fewer than 10 people. State production tax credits provide the necessary incentive to keep jobs in these businesses in the United States and contributing the US economy.

For example, the state of Georgia is home to 22,843 direct motion picture and television jobs generating \$1.3 billion in wages, and was a location for films such as *The Watch*, *Footloose*, *Fast Five*, and *Contagion* in 2010 and 2011. When these productions come to town, the entire local economy benefits -- it takes electrical crews, lumber yards, fabric stores, markets, dry cleaners, and dozens of other businesses to make a movie. For more information on the state-by-state impact of the entertainment industry, click here: <http://www.mpa.org/policy/state-by-state>

2. Free expression and free speech are cornerstones of the entertainment industry.

Copyright law, which is enshrined in our constitution, protects those who create everything from books to movies, from songs to software. Copyright is not censorship. Rather, it incentivizes innovation and creativity; the Supreme Court has called copyright the “engine of free expression.” Free speech is vital to creators and innovators, and the movie business wouldn’t exist without freedom of speech and expression. In fact, the motion picture industry has fought aggressively for freedom of speech on behalf of its storytellers for over a hundred years.

3. The motion picture and television industry is an industry of innovators.

Our companies embrace and harness the rapid development of technology. From IMAX to 3-D to shooting films at 48 frames per second, movie studios are on the cutting edge of entertainment technology. They are relentlessly innovating to bring audiences not only the latest in moviemaking, but also a seamless content experience that allows them to watch the shows and movies they love where and how they want. Hulu, HBO Go, Vudu, Crackle, UltraViolet, Epix, MUBI, Netflix, Amazon – and that just scratches the surface. Already there are over 350 unique services available to provide audiences with the movies and TV shows they love, and our companies are constantly working to make them better. The bottom line is that there have never been more ways to watch great content online through legitimate channels, and we are constantly developing new ways to give audiences more of what they want. To see an infographic highlighting some of the options for consumers, click [here](#).

4. The entertainment community supports an internet that works for everyone.

It is critical to the entertainment community that we protect the free flow of information on the internet while also protecting the rights of artists and creators. The internet must be a place for investment, innovation and creativity – that’s critical not just for our industry, but for intellectual property-intensive industries around the world. In April, the U.S. Department of Commerce released a [report](#) that found that intellectual property-intensive industries – including film and television -- support at least 40 million jobs and contribute more than \$5 trillion dollars to U.S. gross domestic product (GDP). That’s 34.8 percent of US GDP. Simply put, protecting American creativity from theft is critical to the U.S. economy – and so is protecting the freedom to express creativity online.

Creators must have the freedom to innovate online, and they must also be secure in their ability to benefit from their creations. Copyright protection is critical to ensuring that. We can protect creative works while ensuring that the Internet works for everyone.

5. The film and television industry has become one of this country’s most important and most consistent exports.

The movies and TV shows made here in the U.S. tell stories that resonate with people around the globe, and as a result, the film and television industry has become one of this country’s most

important and most consistent exports. The entertainment industry boasted a positive services trade surplus of \$11.9 billion in 2010, or 7% of the total U.S. private sector trade surplus in services. Maintaining that positive balance of trade is crucial to the continued growth of the U.S. entertainment industry and an important pillar of our national economy. Trade agreements such as the Trans Pacific Partnership and the Anti-Counterfeiting Trade Agreement aim to protect the hard work of American creators and makers around the world, while including important safeguards to protect the free flow of information on the internet.

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