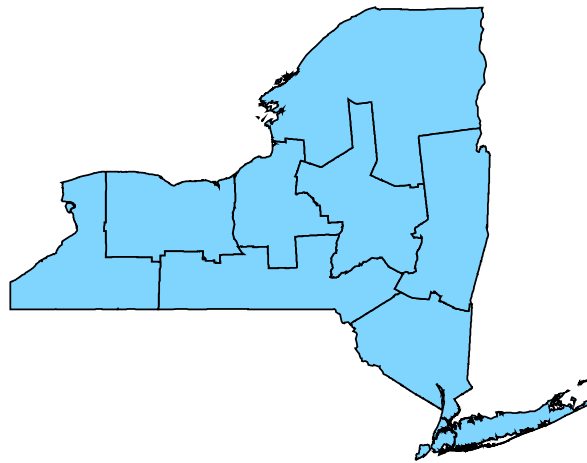


New York's Motion Picture Industry: A Statewide and Regional Analysis



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**New York State Department of Labor
Division of Research and Statistics
Bureau of Labor Market Information**

Peter M. Rivera, Commissioner

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Summary

The motion picture industry in New York City has always played a visible role in the city's culture. However, by the early 2000s, aggressive competition from other states and the complicated logistics of filming in New York City, caused a drop-off in filming activity. Over the past decade, the combination of tax incentives and efficient facilitation of media production in New York City has sparked a resurgence in the local motion picture industry. This in turn has led to growth in both traditional and emerging industry sub-sectors and to new efforts in training and education.

Industry Facts

In 2013, California had the most film jobs (138,000) of any state. New York State ranked second, with slightly less than 56,000. Texas (19,000), Florida (11,000), and Illinois (8,000) rounded out the top five states. Over the last ten years, New York State's share of U.S. motion picture jobs has risen dramatically. Back in 2003, a year before the creation of the tax credit program, the state accounted for slightly less than 1 in 8 jobs in the American film industry. Now, the state accounts for about 1 in 6 film jobs (15.3%) in the U.S. In 2013, the 3,120 firms in New York State's film industry paid total wages of some \$4.9 billion, or more than \$88,000 per worker.

Between 2009, at the depth of the recession, and 2013, New York City's motion picture job count rose by 44%, from 26,000 to 38,000. In New York State, employment in this category rose by 30%, from approximately 43,000 to more than 55,000. By comparison, nationally, during the same time period, employment in motion pictures expanded by approximately 6%.

Change in Employment, Motion Picture and Video Industries, 2009 - 2013

Geographic Area	Net Change	Percent Change
United States	+20,329	+6.0%
New York State	+12,730	+29.6%
New York City	+11,443	+43.7%

Source: Quarterly Census of Employment and Wages

Unsurprisingly, two thirds of the of the state's motion picture employment is concentrated in New York City. In fact, the concentration of movie jobs in Manhattan (New York County) is more than 3.5 times that of the nation as a whole.

New York City has long sought to facilitate media production in the city. The Mayor's Office of Film, Theater and Broadcasting was established in 1966 by then-Mayor John V. Lindsay with the mission to

give a boost to the film and television industries. It was the first agency of its kind in the world. During the late 1960s and early 1970s, this organization helped spark an increase in film and TV production throughout the five boroughs. New York film production during that period included such iconic movies as *The Godfather*, *Rosemary's Baby* and *Taxi Driver*.

As of the end of 2013, there were approximately 2,100 firms in the city's film industry. The lion's share of the industry's 38,000 jobs (about seven out of eight) were in motion picture and video production, a catch-all category that includes everything from making commercials to shooting full length feature films to producing Sunday morning cartoons. The annual average wage in the motion picture industry in New York City was \$102,030 in 2013, approximately 22% higher than the average for all private businesses in the city (\$83,839). This overall average, however, masks wide variation across different motion picture sub-industries. For example, the average wage in the distribution sub-industry topped \$143,000 in 2013. In stark contrast, average pay at the city's 62 movie theaters that same year worked out to \$7.32 per hour, closely approximating the 2013 minimum wage of \$7.25.

Economic Impact

The film industry is an important contributor to New York City's economy, providing high-quality jobs and attracting investment and tourism to the area. In little more than a decade, this industry's presence in New York City has seen significant change and growth, even in the face of a severe national and regional economic downturn.

In 2012, the New York City Office of Media and Entertainment commissioned a study by Boston Consulting Group (BCG). The BCG report estimated that approximately 130,000 people in New York City work in jobs directly related to film and TV and that the industry accounted for \$7.1 billion in spending in 2011. This was up significantly from the 78,000 people employed in fields related to motion pictures and an estimated \$4.2 billion in spending in 2002. The BCG report further stated that the increase in employment was in part due to reality shows and TV series that depend on strong city infrastructure and tend to be "stickier" than one-time film productions. Spending on talk, reality, and one-hour dramas grew more than twofold, from \$1.5 billion in 2002 to \$3.1 billion by the end of 2011, supporting employment of approximately 30,000.

Also in 2012, consulting firm HR&A Advisors prepared a study of the specific impact of the film tax credit in New York State. The HR&A study estimated that in 2011, the film tax credit supported 23,000 full-time-equivalent jobs in New York City, of which 11,300 were directly related to the motion picture industry. An additional 11,700 jobs in New York City were created as a result of indirect and induced ("spinoff") economic activity. The study also calculated the spending impact of the tax credit, which HR&A put at \$3.6 billion of direct spending and \$2.5 billion of indirect spending, for a total spending impact of approximately \$6.1 billion in 2011. This means that for every \$1 of tax credit, New York City received \$1.68 in spending, for a return of 68% on the tax incentive investment.

As the industry continues to expand, bigger projects now consider filming in New York City. In the summer of 2014, the city debuted its biggest ever TV production, a 60-episode TV series for Netflix based on Marvel Defender characters. Walt Disney and Marvel Studios are going to spend \$200 million

filming four live-action television series in NYC, starting with Daredevil. The deal is expected to create 400 full-time jobs and thousands of part-time positions.

Production Incentives

A 2012 survey conducted by the *New York Times* estimated that 40 states offered various tax incentives to the motion picture industry, totaling nearly \$1.5 billion. Louisiana was the first state to provide tax benefits in 1991. In 2002, that state passed further legislation to increase the scope of its incentives. Over the next three years, Louisiana experienced a pickup in film and television productions, some of which were nominated for Emmy Awards. The perceived success of Louisiana's program didn't go unnoticed by New York legislators who were, at the time, struggling with the industry perception that the costs of shooting in New York were too high and the logistics nearly impossible to overcome.

In an effort to revitalize its motion picture industry, New York created the tax credit program in 2004 – 10% of eligible production costs – as a modest incentive to companies utilizing New York locations. In 2008, the credit was expanded from 10% to 30%, up to \$60 million per year. New York State's legislature increased funding to the current level in 2010, making it the most generous in the country. In April 2013, new legislation extended the program through 2019, allocating \$420 million per year.

One of the biggest policy advantages in New York is its postproduction tax credit. In 2012, Governor Cuomo signed legislation that raised the postproduction credit from 10% to 30% in the New York City area and the surrounding commuter region. Additionally, the tax credit was raised to 35% for postproduction work completed in upstate New York. This means that large films or animations can do a portion of postproduction visual effects in New York, even if the state does not have the current capacity to do the full project. New York is also allowing productions shot outside of the state to qualify for the postproduction credit. Currently, most big-budget films seek post-production incentives in locations such as Canada or New Zealand. By allowing productions filmed elsewhere to qualify, New York is poised to pull in blockbuster films and other lucrative projects.

As a measure of success of the tax credit program, one can look at the number of projects it drew in 2013 and corresponding employment gains. As of the end of last year, a record 181 films and TV projects were produced in New York, representing an estimated \$2.1 billion in spending, up from 18 projects and \$600,000 a decade earlier. New York City is now home to 29 TV series compared to seven a decade ago. In 2014, a record 15 broadcast pilots will be filming in New York, more than anywhere else in the country, including Los Angeles.

Gains in employment have been just as impressive. In 2004, the first year the tax credit was available, there were 23,874 jobs in the motion pictures and video production industry in New York City. By the end of 2013, that figure grew to 36,989 jobs, an increase of 54.9% (see following table). Over the same time period, total private employment in New York City increased by 14.2%. Although not quite as dramatic, New York State as a whole saw a gain of 36.3% in film jobs between 2004 and 2013. This compares to growth of 6.7% for all private business in the state over the same time period.

**Available Tax Credit Incentive Packages and Employment
in the Motion Picture and Video Industries,
New York State and New York City, 2004 - 2013**

Year	Tax Credit Available	Employment	
		NYS	NYC
2004	10%	40,137	23,874
2008	30% \$60 million/yr. cap	43,393	27,668
2010	30% \$420 million/yr. cap	50,375	30,621
2013	extension of current credit through 2019	54,713	36,989

Source: Quarterly Census of Employment and Wages

Occupational Outlook

What are the principal occupations found in the motion picture and video industries? One way to answer this question is to examine a staffing patterns matrix, which provides information on the majority of occupations found within a particular industry. Over the 2010-2020 period, long-term industry employment projections prepared by the New York State Department of Labor estimate that total employment in the state’s motion picture industry will increase by 11.2%, or 5,090 jobs. This figure indicates slightly faster growth for this industry than the 10.4% growth rate expected for all New York City industries over the same period.

It is important to note that tracking occupational dynamics in the motion pictures is difficult because of the industry’s hiring practices. For example, the industry frequently hires personnel through payroll service companies and also employs independent artists, designers, and performers, who are not usually reflected in standard industry classifications. Because the self-employed represent a large portion of the employment in motion pictures, the top 21 occupations in this sub-sector together account for only 62% of industry employment. Some of the major occupations which the motion picture industry employs, include producers and directors, film and video editors, ushers and lobby attendants, stock and material movers, advertising sales agents, etc. (see following table).

Principal Occupations, Motion Picture and Video Industries, New York State

SOC Code	Occupational Title	Employment	Percent of Industry	Estimated Employment	Median Annual Wage	Employment Prospects	Educational Requirements
27-2012	Producers and Directors	13,100	15.2%	1,991	\$100,530	Very Favorable	Bachelor's Degree
27-4032	Film and Video Editors	3,650	5.6%	204	\$71,340	Very Favorable	Bachelor's Degree
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	30,670	4.7%	1,441	\$27,320	Very Favorable	Less than High School
39-3031	Ushers, Lobby Attendants, and Ticket Takers	5,350	4.6%	246	\$24,980	Very Favorable	Less than High School
41-3011	Advertising Sales Agents	15,090	3.1%	468	\$69,290	Very Favorable	High School Diploma or Equivalent
27-1014	Multimedia Artists and Animators	2,140	2.8%	60	\$69,940	Favorable	Bachelor's Degree
35-3022	Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	9,200	2.8%	258	\$18,610	Very Favorable	Less than High School
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	81,240	2.3%	1,869	\$38,640	Favorable	High School Diploma or Equivalent
27-4014	Sound Engineering Technicians	2,540	2.2%	56	\$56,990	Unfavorable	Post Secondary Non-degree Award
27-1024	Graphic Designers	12,010	2.0%	240	\$62,640	Very Favorable	Bachelor's Degree
11-1021	General and Operations Managers	54,980	1.9%	1,045	\$149,480	Favorable	Associate Degree
27-4031	Camera Operators, Television, Video, and Motion Picture	1,490	1.8%	27	\$46,890	Favorable	Bachelor's Degree
27-3041	Editors	15,590	1.8%	281	\$69,410	Unfavorable	Bachelor's Degree
43-5061	Production, Planning, and Expediting Clerks	8,390	1.6%	134	\$52,870	Unfavorable	High School Diploma or Equivalent
43-4051	Customer Service Representatives	58,780	1.5%	882	\$37,090	Very Favorable	High School Diploma or Equivalent
27-1011	Art Directors	5,510	1.5%	83	\$128,090	Very Favorable	Bachelor's Degree
27-4012	Broadcast Technicians	2,980	1.40%	42	\$54,950	Favorable	Associate Degree
27-3043	Writers and Authors	5,340	1.40%	75	\$72,060	Very Favorable	Bachelor's Degree
43-1011	First-Line Supervisors of Office and Administrative Support Workers	51,410	1.40%	720	\$62,400	Very Favorable	High School Diploma or Equivalent
15-1132	Software Developers, Applications	25,080	1.20%	301	\$105,030	Very Favorable	Bachelor's Degree
43-9061	Office Clerks, General	101,740	1.20%	1,221	\$29,850	Very Favorable	High School Diploma or Equivalent

The annual average wage in the motion picture industry in New York City was \$102,029 in 2013, which was approximately 22% higher than the average for all private businesses in the city. Looking at the industry's occupational make-up, the highest paid occupations within motion pictures are general and operations managers with median annual wages of \$149,480 and art directors, whose median annual wages are \$128,090. In contrast, ushers and lobby attendants earn \$24,980 per year, while cafeteria and counter attendants earn \$18,610 per year.

Studio Expansions

A positive indicator suggesting that the film industry in New York City is expanding organically, rather than being driven entirely by the package of tax incentives, is the growth of private infrastructure investment, as both new and existing players are expanding studio and post-production capacity. As an example, in 2003, there were 192 establishments in the post-production sub-sector, employing 1,800 people with an average wage of \$85,860. Ten years later, the number of firms in the industry has gone up to 312, employment increased by 16% to 2,100, while the average wage climbed to \$107,700 suggesting improvements not only in the number of post-production jobs, but also in quality of these positions.

Some of the recent developments in the city's film industry include:

- Broadway Stages, a major player in film, television, and video production purchased the former Arthur Kill Correctional facility on Staten Island and plans to transform it into a film, TV, and music production facility. Broadway Stages will invest \$20 million in the project, which will include construction of five new sound stages and the creation of 800 jobs over the next two years, with as many as 1,500 jobs in the next five years.
- Late in 2013, Astoria Kaufman finished its backlot expansion in Astoria, Queens, which it began in 2008. The 35,000-square foot lot allows the studio to create sets for long-term use, something which is commonplace in Los Angeles. The outdoor lot is the first of its kind in the five boroughs. In order to build the backlot, a one-block stretch was taken off the city grid and de-mapped for the exclusive use of the studio.
- In 2012, Steiner Studios added five new sound stages to its production studio complex, which is located on 20 acres within the Brooklyn Navy Yard. Steiner is looking to expand further, which would make it the largest sound stage outside of Hollywood. This expansion was supported by the New York City REDC. According to REDC estimates, the current phase of the expansion has the potential to create 600 permanent jobs and 750 temporary construction jobs, while the full expansion plans are expected to generate nearly 2,000 full-time permanent jobs and 1,800 temporary construction jobs.

Motion Picture Production and Post-Production Facilities in New York City

(tax credit qualified facilities in white, other facilities in purple)



Training and Education

In a 2012 survey conducted by the BCG, multiple interviewees highlighted the fact that New York City has the advantage of a cross-disciplinary talent pool that is unique and gives a cost advantage to filmed production. Employers can hire local talent for all facets of a project, from project management to fashion design, whereas other locations add transportation and accommodation costs. Supporting this point, the tax credit study conducted by the HR&A the same year, highlighted the fact that only a quarter of all travel and living expenses spent by film companies doing business in the state could be attributed to NYC.

Both the state and city administrations, as well as private industry operators, recognize the importance of training and education in promoting the growth of the talent pool in the motion picture industry ecosystem of New York City. To that end, several important initiatives were set up in recent years.

In collaboration with the New York City Department of Education and the Tribeca Film Festival, the office of Media and Entertainment implemented the Blueprint for the Teaching and Learning in the Arts: The Moving Image in classrooms across New York City. The Blueprint curriculum offers a rigorous approach to teaching media arts based on benchmarks and industry standards. The program is designed to begin in early elementary school and continue through to high school.

Brooklyn College's Barry R. Feirstein Graduate School of Cinema is slated to welcome its first class in 2015. The school will be located at Steiner studios at the Brooklyn Navy Yard and will be the only public cinema graduate program to be integrated into a working film production lot.

Carnegie Mellon will bring a tech program focused on media and design to the Brooklyn Navy Yard in 2015. The program will also be located at the Steiner studios and will be the first of its kind to provide training that unites technology and the arts. The program will launch in August of 2015.

The "Made in NY" Production Assistant program was developed as a partnership between the city of New York and Brooklyn Workforce Innovations, a Brooklyn-based non-profit. The program recruits unemployed New Yorkers to get jobs in the growing film industry. The trainees complete an intensive five-week hands-on skills training program taught by industry professionals. Before certification, trainees work on actual productions and after certification, they are given two years of job placement and career support.

The city also sponsors a Media Employee Trainee program, which offers funding for media employers to train their staff in cutting-edge technologies and software. This allows them to boost competitiveness and enter new markets. The program covers 70% of the cost to participating companies.

Outlook

The motion picture industry in New York City has undergone a remarkable turnaround in the past decade. As the sector continues to evolve, a number of initiatives are in the works to ensure that New York City stays ahead of the game. In 2012, New York City's Economic Development Corporation and the Mayor's Office of Media & Entertainment issued a Request for Proposal (RFP) for a "Made in NY"

media center, a physical space designed to provide learning and collaborative opportunities for New Yorkers in new and old media.

The RFP was awarded to the Independent Filmmaker Project (IFP) and late in the fall of 2013, the center opened its doors in Brooklyn's trendy DUMBO neighborhood. The 18,000-square foot facility will be an incubator for new artists, entrepreneurs, and companies working in software development, mobile, gaming and multiplatform storytelling. It will offer educational classes in media and technology, exhibit work in a gallery and screening room, and be a hub for new media in that district. The center will also offer residencies for selected trans-media artists, an opportunity that will give the artists a stamp of approval in quality, as well as access to mentors, classes and angel investors.

On the financial side, in 2013 Governor Cuomo endorsed expanding the state's \$420 million a year incentive program. The revised package of incentives, which will be in place until 2019, has been rewritten to make it more attractive to post-production companies. Disney chairman and CEO Bob Iger has made it clear that he supports the initiative, saying: "The Governor's policies make this great state a more affordable and attractive location, opening the door for even greater economic investment and job creation for New Yorkers." With support of private industry players, state and local governments, and educational institutions, movie making in New York City is well prepared to face the future.

For Further Information

All employment and wage data presented in this analysis are from the Quarterly Census of Employment and Wages (QCEW). Data from this program are based on quarterly reports submitted by employers covered under New York State's Unemployment Insurance law. More detailed statewide and regional QCEW data regarding the motion picture and video industry are available at: labor.ny.gov/stats/LSQCEW.shtm.

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