



# The Entertainment Industry and the Los Angeles County Economy



PREPARED BY

COMMISSIONED BY



NOVEMBER 2012





### **The Hollywood Chamber of Commerce**

For more than 90 years, the Hollywood Chamber of Commerce has provided leadership, advocacy, business development resources, networking, and government affairs programs and services to keep the Hollywood business and residential communities safe, relevant and economically vital. As would be expected, the Chamber has a significant contingent of entertainment industry firms that are members. Christopher Barton of Hudson Pacific Properties is the Chairperson of the Hollywood Chamber of Commerce Board of Directors and Leron Gubler is the President/CEO of the Hollywood Chamber of Commerce. For more information please visit [www.hollywoodchamber.net](http://www.hollywoodchamber.net).

The LAEDC, the region's premier business leadership organization, is a private, non-profit 501(c)3 organization established in 1981.

**As Southern California's premier business leadership organization, the mission of the LAEDC is to attract, retain, and grow businesses and jobs for the regions of Los Angeles County.**

Since 1996, the LAEDC has helped retain or attract more than 175,000 jobs, providing \$8.5 billion in direct economic impact from salaries and more than \$177 million in tax revenue benefit to local governments and education in Los Angeles County.

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### **Economic Information**

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### **Economic and Policy Analysis Group**

The LAEDC Economic and Policy Analysis Group offers thoughtful, highly-regarded economic and policy expertise to private- and public-sector clients. The group focuses on economic impact studies, regional industry analyses and economic issue studies, particularly in water, transportation, infrastructure and workforce development policy.

### **Leveraging our Leadership**

The LAEDC operates the World Trade Center Association Los Angeles-Long Beach (WTCA LA-LB), which facilitates trade expansion and foreign investment, and the LAEDC Center for Economic Development partners with the Southern California Leadership Council to help enable public sector officials, policy makers, and other civic leaders to address and solve public policy issues critical to the region's economic vitality and quality of life.

### **Global Connections**

The World Trade Center Association Los Angeles-Long Beach works to support the development of international trade and business opportunities for Southern California companies as the leading international trade association, trade service organization and trade resource in Los Angeles County. It also promotes the Los Angeles region as a destination for foreign investment. The WTCA LA-LB is a subsidiary of the Los Angeles County Economic Development Corporation. For more information, please visit [www.wtca-lalb.org](http://www.wtca-lalb.org)

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The Kyser Center for Economic Research  
444 S. Flower St., 37th Floor, Los Angeles, CA 90071  
Tel: 213-622-4300, 888-4-LAEDC-1 Fax: 213-622-7100  
[www.LAEDC.org](http://www.LAEDC.org) • [research@laedc.org](mailto:research@laedc.org)

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## Prepared and Researched by:

### **The LAEDC Kyser Center for Economic Research**

Robert Kleinhenz Ph.D  
Chief Economist

Ferdinando Guerra  
Associate Economist

### **The LAEDC Economic Policy and Analysis Group**

Christine Cooper Ph.D  
Vice President

Myasnik Poghosyan  
Associate Economist

With special thanks to:

David Perez  
Economic Research Intern

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The Kyser Center for Economic Research  
444 S. Flower St., 37th Floor, Los Angeles, CA 90071  
Tel: 213-622-4300, 888-4-LAEDC-1 Fax: 213-622-7100  
[www.LAEDC.org](http://www.LAEDC.org) [research@laedc.org](mailto:research@laedc.org)

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## I. Introduction

Los Angeles has long been regarded the Entertainment Capital of the World, a title earned over many decades of activity in motion picture, sound, and television production. For many people, the words Los Angeles and Hollywood are synonymous with entertainment. Entertainment enters people's lives at movie theaters and performing arts venues. It also enters their homes through television and radios, DVDs and compact disks, and increasingly through the Internet. And it has become an essential part of people's activities in their cars, at the gym, or at work.

Over much of the industry's modern history, content and medium were closely linked. In the digital age, however, the entertainment industry is undergoing a profound evolutionary change. Content may originate as a feature length movie, but is now distributed across a range of platforms. The production of content has changed as well. Digital imaging is displacing film in the production of movies while lines are being blurred between such related industries as movie production, electronic computer games, and other entertainment media. These changes have transformed the entertainment industry, while at the same time transforming the local economy.

The objective of this study is to describe the presence of the entertainment industry in the Los Angeles area economy, to estimate the impact the industry has on the local economy, and to identify both the challenges and opportunities facing the industry in the coming years.

The report will be structured as follows:

- Overview of the entertainment industry
- Profile of entertainment industry sectors
- Role of self-employed in the industry
- Economic impact of the entertainment industry
- Conclusion, challenges and opportunities

Additional information is contained in the appendix.

### Summary of Findings

Despite the loss of business to places around the country and around the globe, the entertainment industry in Los Angeles County continues to loom large, both as a focal point for the global industry and as a significant contributor to the local economy.

The entertainment industry employed nearly 162,000 wage and salary workers in Los Angeles County during 2011, equivalent to nearly 5% of the 3.3 million private sector wage and salary workers in the county. In addition, the industry employed more than 85,000 free-lance professionals and other independent contract workers. With a combined total of 247,000 workers, this is one of the largest industries in the county.

Setting aside the stereotypical starving actor/waiter, many who work in the industry earn pay that is well above of the average wage in Los Angeles County. The average annual wage in the entertainment industry was \$117,000 in 2011, more than double the average (\$53,300) across all private sector industries.

The industry does not just provide jobs; it is a key component in the Los Angeles County economic engine. With most of the industry's "sales" taking place outside the county -- even outside the United States -- the industry makes a significant contribution to the local economy as proceeds from sales of movie tickets, videos, and other programming come back to the county. This causes ripple effects in terms of jobs, incomes, and local and state sales taxes. In addition to the 247,000 jobs that are tied directly to the entertainment industry, industry activity creates additional jobs indirectly, both through the businesses that supply to the entertainment industry (caterers, florists, and so on) and through spending in the local economy by workers in the entertainment and supplier industries.

Taking into account this indirect job creation, the entertainment industry is directly or indirectly responsible for nearly 586,000 jobs in the county, yielding over \$43 billion in labor income. Moreover, the industry generates over \$120 billion annually in output. Of that, \$47 billion is value added that is directly related to the entertainment industry. This is equivalent to 8.4% of Los Angeles County's estimated annual Gross County Product (\$558 billion) in 2011. Spending by these businesses and their workers also yields nearly \$6 billion annually in state and local taxes.

Despite its impressive presence in the local economy, the industry has encountered numerous challenges in the form of runaway production, both domestically and internationally, as well as piracy and other forms of intellectual property theft. Runaway production to other states continues to be one of the key challenges going forward. Since 2002, other states have implemented incentive programs to attract film and television production. These programs have proven to be effective in attracting activity and increasing industry employment in these states.

Even as it contends with these problems, it faces a number of opportunities in the 21<sup>st</sup> Century. The first is the continued evolution of

content production and distribution. Digital production and processing will continue to shape developments behind the camera. At the same time, as some distribution channels mature, new distribution channels open up and grow rapidly.

Second is the opportunity to deliver content across the world. Countries across the globe are in various stages of economic development. With that comes an emerging middle class whose appetite for consumer goods and services will grow as the standard of living improves. Their demand for entertainment will be many times larger than that of the U.S. economy. In striving to meet this growing demand, the Los Angeles County entertainment industry will truly earn its title as the Entertainment Capital of the World.

## II. Profile of the Entertainment Industry

Definitions of the entertainment industry vary depending on the area of focus, but in Los Angeles the entertainment industry invariably begins with motion picture production and a handful of other industry segments that have a long-standing presence in the area. Added to these are a number of related industries. For the purpose of this study, the entertainment industry has been defined to include the following: Motion Picture & Video-Related Sectors, Sound Production & Related Sectors, Radio, Television & Cable Sectors, Live Entertainment Sectors, and both the artistic talent and the business side of the industry. A complete list of industry segments appears in Appendix Table A-1.

	Number of Establishments	Payroll (\$ Millions)	Average Employment	Average Annual Wage
Motion Picture & Video Related Sectors	4,927	\$11,343.8	117,841	\$96,300
Sound Production & Related Sectors	440	\$313.8	3,047	\$103,000
Radio, TV & Cable Sectors	319	\$2,091.0	18,503	\$113,000
Live Entertainment Sectors	689	\$643.8	5,040	\$127,700
Agents, Managers & Independent Artists	6,913	\$4,552.6	17,431	\$261,200
<b>Total</b>	<b>13,288</b>	<b>\$18,944.9</b>	<b>161,862</b>	<b>\$117,000</b>

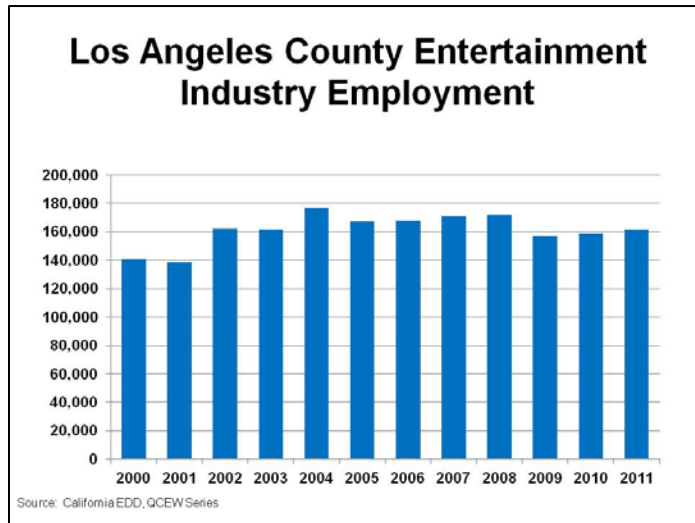
Source: California EDD, QCEW Series

Many of the companies and individuals who are the driving force behind creative content, production, and distribution call Los Angeles County their home. The entertainment industry is big business in Los Angeles. In 2011, over 13,000 establishments generated 161,862 jobs and over \$18.9 billion in payroll. Among these are globally recognized companies such as Paramount, Warner Bros., NBCUniversal, and MTV.

Within the industry, the largest concentration of activity may be found in the Motion Picture and Video Related Sectors. This sector accounted for the lion's share of industry employment with 117,841 jobs last year and payroll totaling \$11.3 billion. Establishments in this sector tended to be relatively fewer in number but larger in size. The average annual wage for this sector was \$96,000, slightly below the average for the entertainment industry as a whole.

The other sectors of the entertainment industry were considerably smaller in terms of employment, annual payroll, and, with the exception of Agents

and Managers, the number of establishments. Average annual wages across different sectors varied widely, from \$103,000 in Sound Production to \$261,200 for Agents, Managers, and Independent Artists.



With 161,862 wage and salary workers, industry employment was equivalent to 4.8% of Los Angeles County's 3.3 million private sector workforce in 2011. Total employment in the entertainment industry was 16.9% higher in 2011 than it was in 2001, but fell 8.5% shy of peak employment in 2004 when 176,830 worked in the industry. While part of the decline in recent years may be attributed to the Great Recession, runaway production was also a likely contributing factor as motion picture and video production alone lost over 16,100 jobs from 2004 to 2011.

In addition to wage and salary employees, the entertainment industry is noted for its reliance on free-lance talent. Free lance artists, writers, lighting, sound, and other production professionals, as well as agents and managers provide the industry a diversified labor pool. These individuals - - who are generally self-employed and have no employees -- numbered 85,032 in 2010, the most recent year for which information is available. This segment of the labor pool has grown consistently over the past 10 years.

Actors, writers, and other professionals in the entertainment industry are represented by an array of labor unions and guilds. The most notable is the Screen Actors Guild-American Federation of Radio and Television Artists (SAG-AFTRA), which resulted from the merger of those two entities earlier in 2012. Nationally, this organization alone represents over 160,000 actors, announcers, broadcasters, journalists, dancers, DJs, news writers, news editors, program hosts, puppeteers, recording artists, singers, stunt performers, voiceover artists and other media professionals nationally. Similarly, the International Alliance of Theatrical Stage

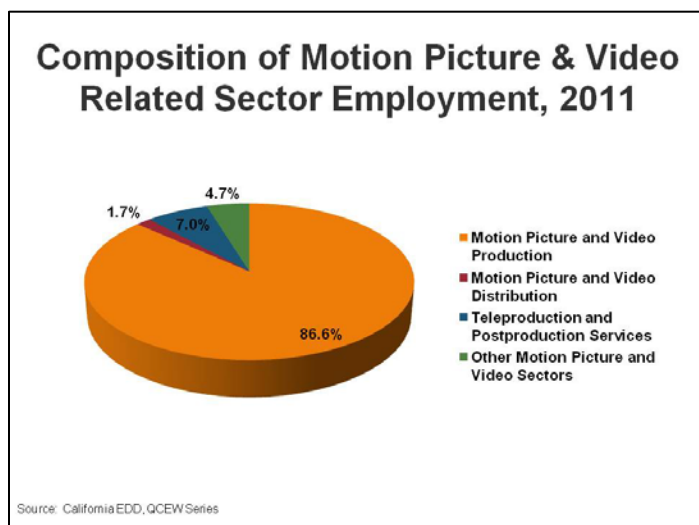
Employees (IATSE) counts over 100,000 members in its ranks nationally. Other organizations include the Writers Guild of America, the Directors Guild of America, and the Teamsters, to name a few.

Finally, several companies in the entertainment industry that are “household names” are located in Los Angeles County. These include Paramount, Warner Bros., Sony, NBCUniversal, Walt Disney, ABC, CBS, and Fox. Most of these companies are located in Burbank, Universal City, Culver City, Santa Monica, and West L.A. Paramount is the only one of the six major studios that still calls Hollywood its home. However, Hollywood houses numerous independent studios, including: Sunset/Gower and Bronson Studios, Raleigh Studios, RED Studios, and Prospect Studios. As for the rest of the entertainment industry, local network and independent television and radio stations are located in several parts of Los Angeles (City), as well as Glendale and Burbank, while live entertainment venues are scattered throughout Los Angeles County, with the largest facilities including Staples Center in downtown Los Angeles and the Hollywood Bowl in Hollywood.

### III. Close-Up: A Look at Industry Sectors

#### Motion Picture, Video and Related Sector

The Motion Picture, Video and Related sector is by far the largest sector of the entertainment industry.<sup>1</sup> With 117,841 jobs, it makes-up nearly 73% of total industry employment. This sector accounted for 4,927 establishments, just over a third of the industry total, and \$11.3 billion in payroll in 2011, which was 60% of total entertainment industry payroll.



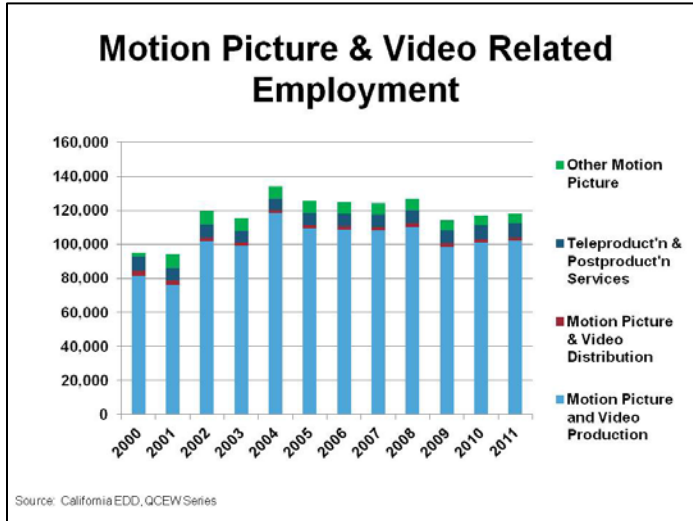
Within this sector, the largest subsector is Motion Picture and Video Production, which employed just over 102,000 individuals in 2011, equivalent to 86.6% of all jobs within this sector. Closely tied to Motion Picture and Video production are Motion Picture and Video Distribution, Teleproduction and Postproduction Services, and “Other” Motion Picture and Video. Although employment in these subsectors is just a fraction of the size of Motion Picture and Video Production, all three sectors have a symbiotic relationship.

Employment in the Motion Picture, Video and Related sector grew by less than 1.0% in 2011, following a 2.3% gain in 2010. Still, these gains were welcome after the 10.0% decline experienced during the Great Recession of 2009. While employment last year was 25% higher than in 2001, it was

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<sup>1</sup> For this study, the Motion Picture, Video and Related sector is comprised of the following NAICS codes: Motion Picture and Video Production (512110), Motion Picture and Video Distribution (512120), Motion Picture Theaters, except Drive-ins (512131), Drive-in Motion Picture Theaters (512132), Teleproduction and Postproduction Services (512191), and Other Motion Picture and Video industries (512199). Unless otherwise indicated, NAICS 512131, 512132, and 512199 have been combined into a single “Other Motion Picture and Video” category.

12.1% (or 16,160 jobs) below the most recent peak year (2004) when there were 134,000 in the industry. Nearly all of the subsectors lost employment from 2004 to 2011, with Motion Picture and Video Production alone losing 16,100. Arguably, these job losses stemmed in part from runaway production, as other states began to implement film incentives in the early 2000s.



Motion Picture and Video Production also accounted for the vast majority of establishments (4,024) and payroll (\$9.8 Billion). However, the average annual wage of \$96,200 was slightly below the average for the entire sector.

### Sector Profile: Motion Picture & Video Related

	Number of Establishments	Payroll (\$ Millions)	Employment	Average Annual Wage
Motion Picture and Video Production	4,024	\$9,818.0	102,067	\$96,200
Motion Picture and Video Distribution	106	\$309.5	1,952	\$158,600
Teleproduction and Postproduction Services	575	\$999.6	8,210	\$121,800
Other Motion Picture and Video Sectors	222	\$216.9	5,612	\$38,600
<b>Total</b>	<b>4,927</b>	<b>\$11,344.0</b>	<b>117,841</b>	<b>\$96,300</b>

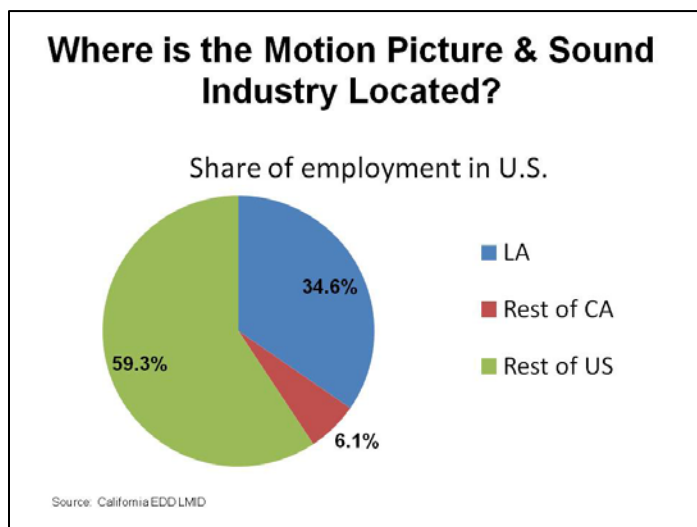
Source: California EDD, QCEW Series

Looking at the number of business establishments within this sector, all subsectors exhibited a declining trend over the last 10 years, with the exceptions of Teleproduction and Postproduction Services which increased by 11.4%. The recession may have contributed to the

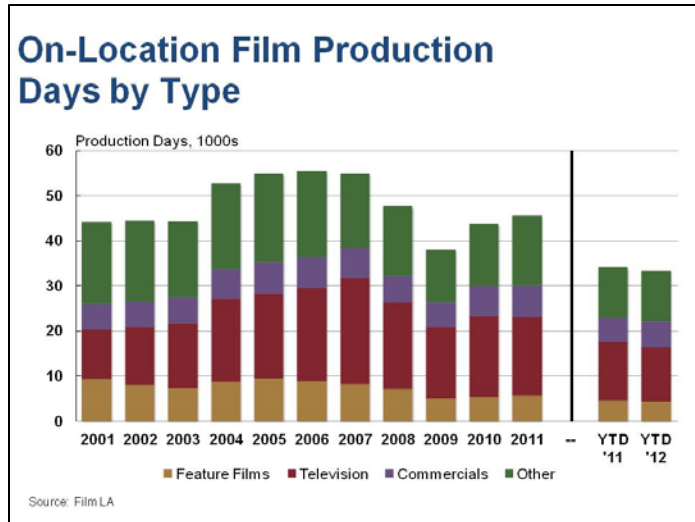


downward trend in the number of establishments, but this occurred unevenly across the subsectors of the industry.

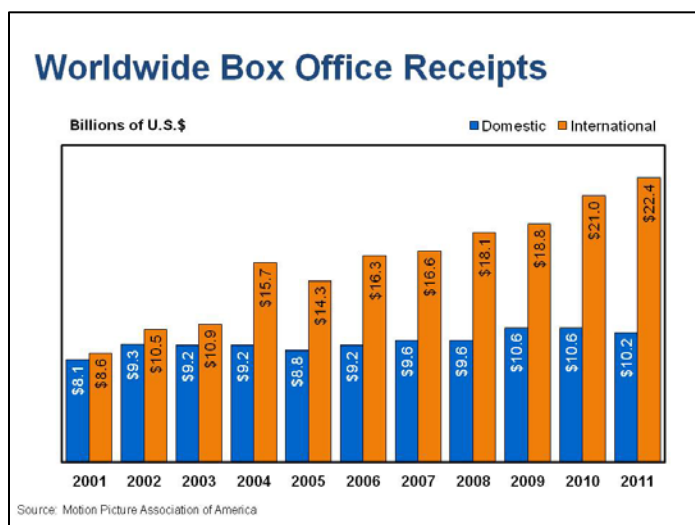
In contrast to the declining trend for the number of establishments, the wages have risen significantly over the last 10 years. The average annual wage within this sector jumped by 14.8% from \$83,860 in 2001 to \$96,300 in 2011.



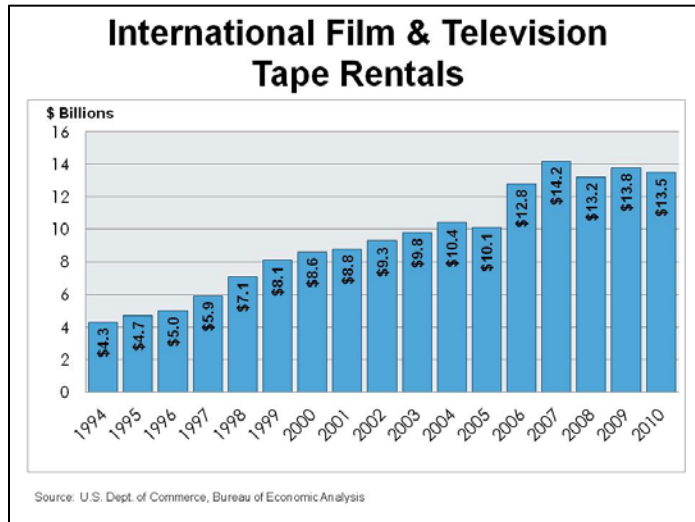
Despite decades of runaway production, Los Angeles County still has the largest concentration of Motion Picture and Sound Production employment in the country and the lion's share of industry related employment in the state of California. Based on annual labor market information for 2011, 34.6% of the nation's 363,300 Motion Picture and Sound Recording Industry jobs are located in Los Angeles County, with another 6.1% located elsewhere in California. Still, Los Angeles and California have lost ground over the years, with nearly 60% of employment now located outside of California. The challenge of runaway production is discussed in greater detail in the Conclusion of this report.



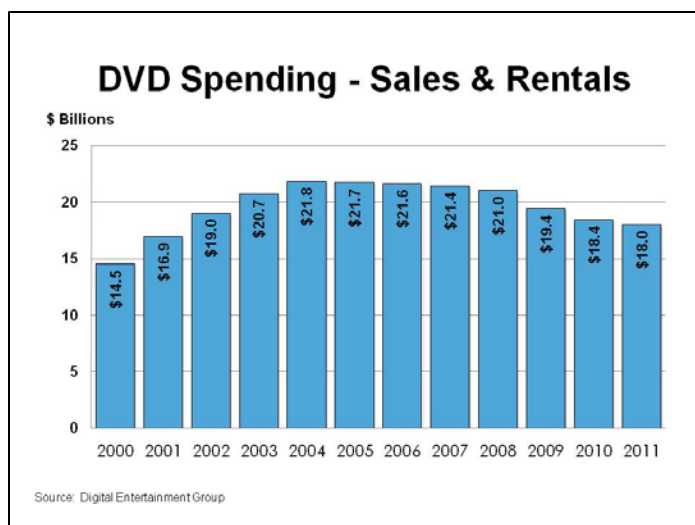
Given this concentration of activity, motion picture and video production is constantly taking place across the county. In addition to the sound stages of the major film studios and their independent counterparts, crews are making movies, television programs, commercials, and other videos on-location in neighborhoods and communities across the county. As with so many other activity indicators for the industry, on-location film production was going strong prior to the recession, experienced a sharp pullback in 2008 and 2009, but has since regained some lost ground with heightened activity in 2010 and 2011. On a year-to-date basis through the third quarter of 2012, total on-location activity is 2.0% behind last year, perhaps owing to weakness in the U.S./global economies and runaway production.



Once produced, motion pictures and television programs are distributed through a number of channels, each giving rise to separate revenue streams. Looking first at box office activity, domestic receipts totaled \$10.2 billion in 2011 and have edged up only slightly over the past 10 years. By comparison, international receipts were more than twice domestic receipts at \$22.4 billion in 2011, and have more than doubled over the ten year time period from 2001 through 2011.



Along the same lines, proceeds from international film and television rentals have likewise exhibited impressive growth historically. Although dented by the recession, revenues grew from approximately \$9 billion at the start of the 21<sup>st</sup> Century to \$13.5 billion in 2010, the most recent year for which data are available.

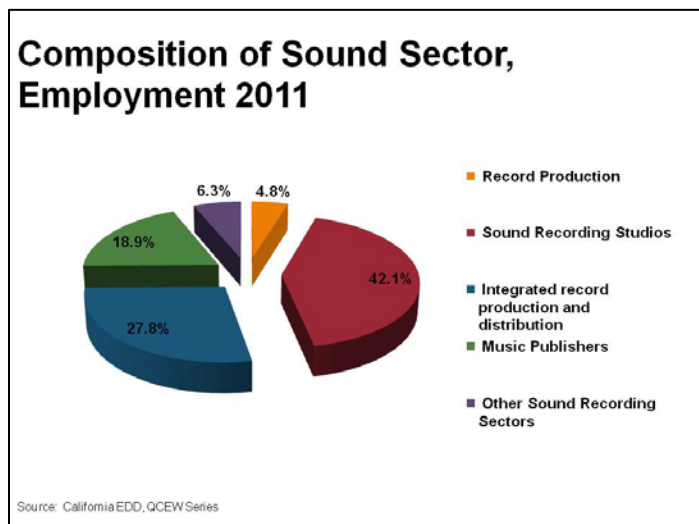


Lastly, spending on DVDs hit \$18.0 billion in 2011. While virtually unchanged from 10 years earlier, the revenue stream derived from this distribution channel peaked in 2004 at \$21.8 billion, and may be hard-pressed to match that level in the future as DVDs face stiffening competition, notably from online, streaming-video distribution channels such as local cable and satellite television companies, Netflix, and websites such as YouTube and Hulu.

An important part of this sector's activity includes production of commercials. Based on a recent survey conducted by the Association of Independent Commercial Producers (AICP), production expenditures rose marginally last year from \$2.49 billion to \$2.52 billion. Forty-eight percent of industry expenditures were spent in California (Los Angeles-specific numbers were not available), down from 50% a year earlier but up from 38% in 2008. California's market share of production days was 49% in 2011, down five percentage points since 2007. Nationally, the average number of commercials per company fell from 33.2 in 2010 to 30.6 in 2011, while the average number of shoot days also decreased from 59.9 days in 2010 to 55.4 days last year.

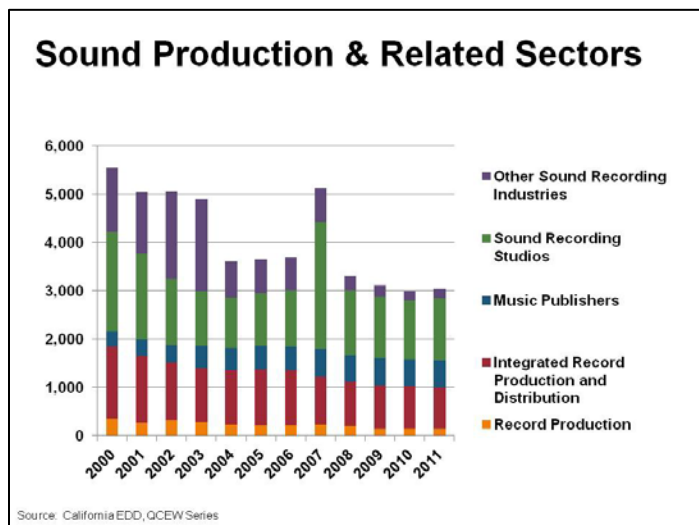
### Sound Recording and Production

While the motion picture segment of the industry may be the largest segment by employment, other segments of the industry are important in their own right. The first of these is Sound Recording and Production<sup>2</sup>. This sector employed 3,047 people in 2011.



<sup>2</sup> This sector is comprised of the following NAICS codes: Record Production (512210), Integrated Record Production and Distribution (512220), Music Publishers (512230), Sound Recording Studios (512240), and Other Sound Recording Industries (512290).

The largest subsector was Sound Recording Studios at 42.1% of sector employment, followed by Integrated Record Production and Distribution with 27.8%, Music Publishers with 18.9%, and the balance spread over the remaining subsectors.



Sector employment grew by nearly 2% in 2011 -- after experiencing three straight years of declines. This sector experienced a significant decline of 34% in total employment from 2001 to 2008, from which it has not recovered. The fall in employment did not occur during, but rather preceded, the Great Recession, collapsing by nearly 50% from 2007 to 2008.

Employment in the sector plunged by 39.6% over the past decade, as technological advances in digital sound recording and distribution have resulted in job losses. As sector employment declined, its share of total entertainment industry employment fell from 3.9% in 2001 to 1.9% last year.

**Sector Profile:  
Sound Production & Related**

	Number of Establishments	Payroll (\$ Millions)	Employment	Average Annual Wage
Record Production	59	\$17.8	146	\$122,200
Integrated Record Production and Distribution	40	\$109.4	848	\$129,000
Music Publishers	127	\$58.2	576	\$101,000
Sound Recording Studios	173	\$105.5	1,284	\$82,100
Other Sound Recording Sectors	41	\$22.9	193	\$118,600
<b>Total</b>	<b>440</b>	<b>\$313.8</b>	<b>3,047</b>	<b>\$103,000</b>

Source: California EDD, QCEW Series

There were 440 business establishments within the sector in 2011. The number of establishments has shown a declining trend in recent years, decreasing by 23.3% from 574 in 2001. The only exception was Music Publishers, which rose from 104 to 127 establishments.

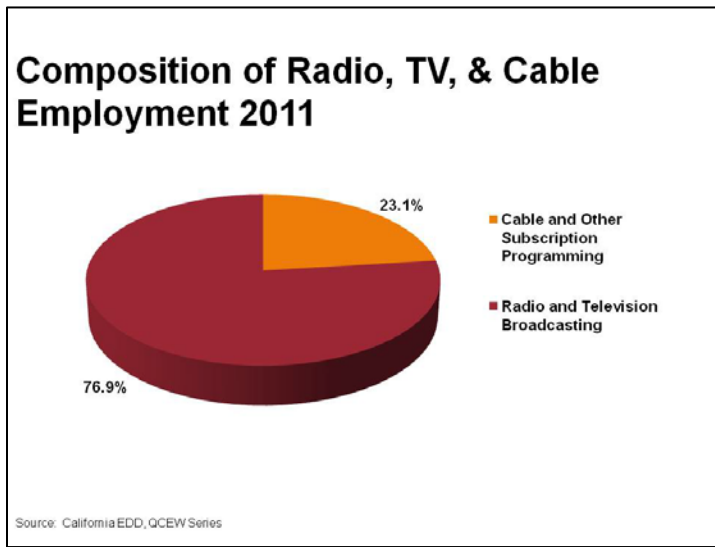
Total payroll in the sector stood at \$313.8 million in 2011 having rebounded modestly in 2010 and 2011 from sharp decreases during the recession years of 2008 and 2009. However, over the long term, total payroll has declined along with the number of establishments. In 2011, total payroll was 10% lower than the \$348.9 million figure posted in 2001.

By contrast, average annual wages and salaries in this sector have generally grown over the past 10 years. At \$102,980 in 2011, the average annual wage was slightly higher than the average wage across the entire entertainment industry. The average annual wage grew marginally over 2010 and was 48.8% higher than in 2001.

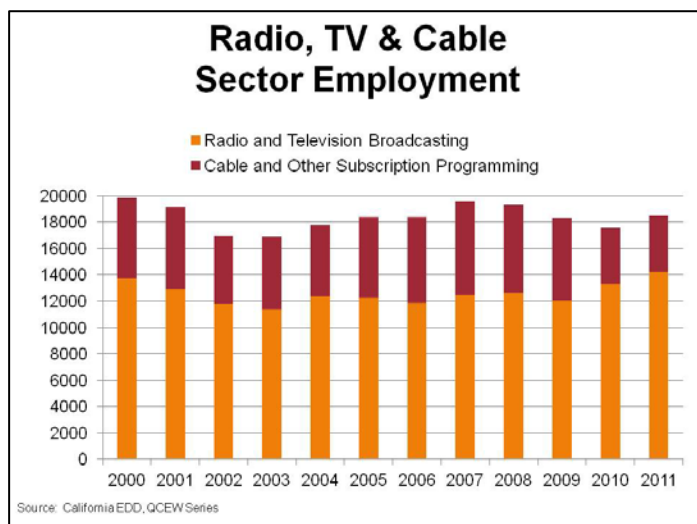
### Radio, Television and Cable

The Radio, Television and Cable sector employed 18,503 workers in 2011.<sup>3</sup> The Radio and Television Broadcasting subsector constitutes the largest component of this sector making up 76.9% of total employment with the balance in Cable and Other Subscription Programming.

<sup>3</sup> This industry sector consists of the following NAICS codes: Radio and Television Broadcasting (5151), and Cable and Other Subscription Programming (515210).



This sector saw employment growth in 2011 of 5.5% following three straight years of declines. The sector had grown steadily before the recession, peaking in 2007 at 19,572 workers. Employment subsequently fell three years in a row before last year's increase.



However, employment trends diverged between the two subsectors. Radio and Television Broadcasting enjoyed employment growth of 10.1% (1,309 jobs) from 2001 to 2011, while Cable and Other Subscription Programming experienced a 31.2% decline (losing 1,939 jobs). The result was a net negative impact of 3.1% on total employment for the sector as a whole from 2001 to 2011.

**Sector Profile:  
Radio, TV & Cable 2011**

	Number of Establishments	Payroll (in \$ Million)	Employment	Average Annual Wage
Radio and Television Broadcasting	234	\$1,649.1	14,227	\$115,900
Cable & Other Subscription Programming	85	\$441.9	4,276	\$103,300
<b>Total</b>	<b>319</b>	<b>\$2,091.0</b>	<b>18,503</b>	<b>\$113,000</b>

Source: California EDD, QCEW Series

The number of business establishments within the sector stood at 319 in 2011, edging up 2.2% from 299 in 2001. However, the number of firms fell 3.6% from 2010 to 2011, with declines in both subsectors. By comparison, sector-wide payroll rose by a substantial 30.8% from \$1.6 billion in 2001 to \$2.1 billion in 2011, primarily because of a gain in Radio and Television Broadcasting, which was slightly offset by a decline in Cable. As for employee compensation, the average annual wage rose 35.8% from \$83,200 in 2001 to \$113,000 last year, with gains occurring in both subsectors.

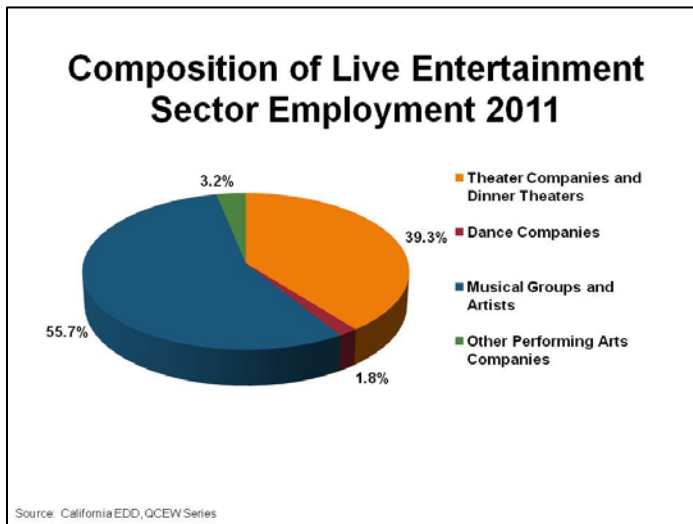
### Live Entertainment/Performing Arts

The Live Entertainment sector employed 5,040 people in 2011, or 3.1% of total Entertainment Industry employment<sup>4</sup>. Musical Groups and Artists constituted the largest component of the sector, making up 55.7% of total employment, followed by Theater Companies and Dinner Theaters at 39.3%, with the remaining five percent divided among the other two subsectors.

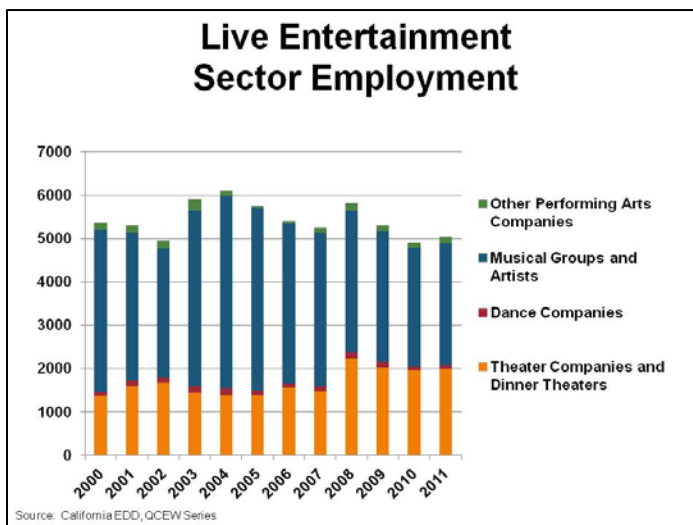
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<sup>4</sup>This sector consists of the following NAICS codes: Theater Companies and Dinner Theaters (711110), Dance Companies (711120), Musical Groups and Artists (711130), and Other Performing Arts Companies (711190).





Live Entertainment experienced a 2.8% increase in employment during 2011 following decreases in five of the previous six years. Sector employment has trended downward in recent years, falling 4.9% since 2001 when the sector had 5,297 jobs. Employment peaked in 2004 at 6,096 jobs, but took a particularly hard recession-related hit in 2009 and 2010 before last year's gain.



Musical Groups and Artists experienced the most substantial slump, losing over 600 jobs and falling by 17.8%. Dance Companies fell by a third, but on a much smaller employment count. On the other hand, Theater Companies and Dinner Theaters added 25% to its ranks over the same period with just under 2,000 employees last year. Even so, Live

Entertainment fell from 3.8% of total entertainment employment in 2001 to 3.1% last year.

There were 689 total business establishments in the Live Entertainment sector in 2011, down from 1,189 in 2001. The number of business establishments decreased by double digits in all subsectors with the exception of dance companies, which grew from 23 to 32 establishments over that time period.

**Sector Profile:  
Live Entertainment 2011**

	Number of Establishments	Payroll (\$ Million)	Average Employment	Average Annual Wage, \$
Theater Companies and Dinner Theaters	115	\$69.1	1,983	\$34,800
Dance Companies	32	\$4.6	90	\$51,000
Musical Groups and Artists	513	\$555.6	2,805	\$198,100
Other Performing Arts Companies	29	\$14.5	162	\$89,400
<b>Total</b>	<b>689</b>	<b>\$643.8</b>	<b>5,040</b>	<b>\$127,700</b>

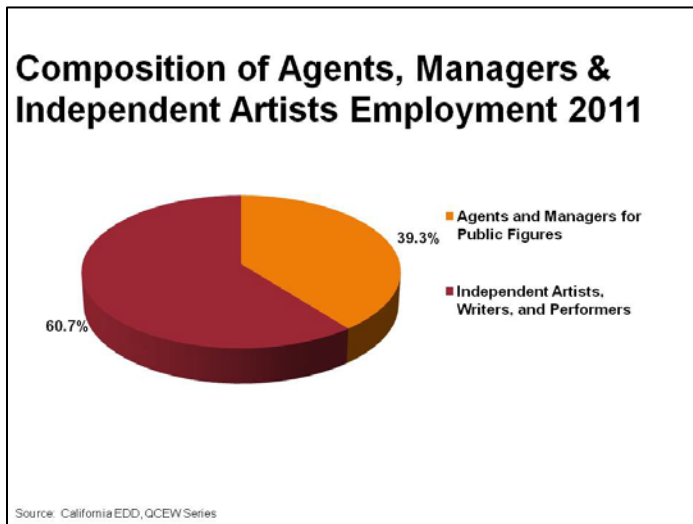
Source: California EDD, QCEW Series

Despite consolidation within the sector, total payroll grew from \$481.4 million in 2001 to \$643.8 million last year. As for employee compensation, the average annual wage was \$127,700 last year, with Musical Groups well above that at \$198,100 and those in Dance Companies and in Theaters and Dinner Theaters earning substantially less.

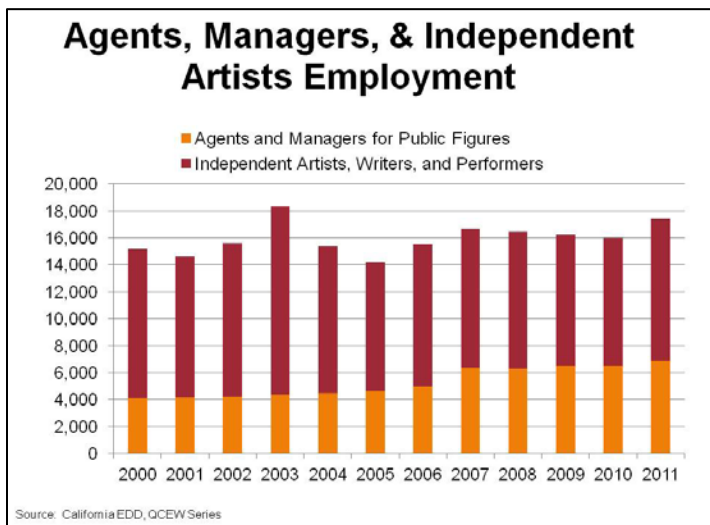
#### Agents, Managers, and Independent Artists

The Agents, Managers, and Independent Artists sector employed 17,431 people or 10.8% of total industry employment in 2011<sup>5</sup>. The Independent Artists, Writers, and Performers subsector constituted the largest component of this subsector at 60.7% with Agents and Managers accounting for the remaining 39.3%.

<sup>5</sup> This sector includes the following NAICS codes: Agents and Managers for Public Figures (711410) and Independent Artists, Writers, and Performers (711510).



Employment, which rose modestly from 14,652 in 2001 to 17,431 last year, fluctuated over the pre-recession period with a high of 18,314 in 2003 and a low of 14,217 in 2005. Employment lost ground over three successive years from 2007 through 2010 before bouncing back by 9.1% last year. Agents and Managers grew steadily over the decade except for a minor pullback in 2010, while Independent Artists exhibited greater fluctuations over that time, with employment virtually unchanged over the period



In 2011, there were 6,913 business establishments in the sector, up 41.2% from 4,897 in 2001. Growth was dominated both numerically and in percentage terms by Independent Artists, which grew by 45.5% and added nearly 2,000 jobs. Ironically, employment peaked in 2009 at 7,289 jobs.

### Sector Profile: Agents, Managers, and Independent Artists

	Number of Establishments	Payroll (\$ Million)	Average Employment	Average Annual Wage
Agents and Managers for Public Figures	676	\$905	6,859	\$131,900
Independent Artists, Writers, and Performers	6,237	\$3,648	10,572	\$345,000
<b>Total</b>	<b>6,913</b>	<b>\$4,553</b>	<b>17,431</b>	<b>\$261,200</b>

Source: California EDD, QCEW Series

Total payroll last year was \$4.5 billion, up 9.8% from 2010. Payroll grew by over 70% during the past decade from a figure of \$2.7 billion in 2001, with both subsectors experiencing equally impressive growth. In turn, average annual income for the subsector as a whole was \$261,200, more than twice the average for the entertainment industry as a whole. However, while income for Agents and Managers rose by just 0.6% over the past decade and stood at \$131,900 last year, income for Independent Artists rose by 70.4% from \$202,400 to \$345,000 between 2001 and 2011.

## IV. The Self-Employed in the Entertainment Industry

Up to this point, the industry has been described in terms of employer firms and wage and salary employees. However, a significant number of individuals work in each of the industry sectors as free-lance workers. While these individuals may be self-employed from a labor standpoint, they are also businesses.

The U.S. Census Bureau classifies a business consisting of one individual with no employees as a non-employer establishment. Non-employers are self-employed individuals operating sole proprietorships which may or may not be the owner’s principal source of income. The Census Bureau collects data on non-employer establishments annually, with the most recent data coming from 2010. The Census Bureau uses an industry classification system that resembles but is not identical to the system used to categorize wage and salary workers by industry. In the rest of this section, these individuals will be referred to as “self-employed”.

Over the last decade self-employed workers have been on the increase in the entertainment industry. The total number grew by 31.6% from 64,617 in 2002 (the earliest date for which data are available) to 85,032 in 2010 (the latest date for which data are available). Self-employed numbers topped out at a pre-recession peak of 82,399 in 2008, falling to 81,162 in 2009, but growing by 4.8% in 2010.

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Motion Picture/TV Production</b>	11,348	11,867	12,569	12,793	13,795	14,109	14,221	13,744	14,306
<b>Sound Recording</b>	2,086	2,176	2,305	2,329	2,510	2,512	2,548	2,504	2,557
<b>Broadcasting (Except Internet)</b>	824	914	959	987	1,070	1,019	1,012	992	989
<b>Live Entertainment</b>	2,098	2,205	2,376	2,516	2,787	3,331	3,380	3,517	3,729
<b>Agents &amp; Managers</b>	48,261	50,997	53,867	57,498	58,801	61,340	61,238	60,405	63,451
<b>Total</b>	<b>64,617</b>	<b>68,159</b>	<b>72,076</b>	<b>76,123</b>	<b>78,963</b>	<b>82,311</b>	<b>82,399</b>	<b>81,162</b>	<b>85,032</b>

Source: US Dept. of Commerce, Bureau of Census, Non-Employer Statistics

Across the industry sectors, the Agents, Managers, and Independent Artists sector accounted for the largest number of self-employed with 63,451 in 2010, equivalent to 74.6% of the industry total. Motion Pictures and Related was the second largest sector, with 14,306 workers or 16.8% of the total. The remaining sectors each had much smaller numbers of self-employed workers.

Self-employment grew in each of the entertainment sectors over the period from 2002 to 2010, with the largest numeric gain in the Agents, Managers, and Independent Artists (adding 15,190 for a 31.5% increase), and Live Entertainment registering the largest percentage increase with a gain of 77.7%. Each of the sectors experienced a decline in 2009 as a result of the Great Recession, but those declines were partially or fully offset with gains in 2010.

<b>Entertainment Industry Non-Employer Receipts</b>				
	Value of Receipts (\$1000s)		2009-2010 Change	
	2009	2010	Difference	Percent
<b>Sound Recording &amp; Related:</b>				
<i>Sound Recording</i>	\$ 103,708	\$ 104,514	\$ 806	0.8%
<b>Motion Picture &amp; Related:</b>				
<i>Motion Picture/Video Production</i>	\$ 659,462	\$ 677,125	\$ 17,663	2.7%
<b>Programming:</b>				
<i>Broadcasting (except Internet)</i>	\$ 41,894	\$ 43,580	\$ 1,686	4.0%
<b>Live Entertainment:</b>				
<i>Performing Arts Companies</i>	\$ 181,278	\$ 196,419	\$ 15,141	8.4%
<b>Agents &amp; Managers:</b>				
<i>Agents &amp; Managers of Artists, etc.</i>	\$ 224,665	\$ 235,583	\$ 10,918	4.9%
<i>Independent Artists, Writers, etc.</i>	\$ 2,158,842	\$ 2,236,414	\$ 77,572	3.6%
<i>Agents &amp; Managers Total</i>	\$ 2,383,507	\$ 2,471,997	\$ 88,490	3.7%
<b>TOTAL</b>	<b>\$ 3,369,849</b>	<b>\$ 3,493,635</b>	<b>\$ 123,786</b>	<b>3.7%</b>

Source: US Dept. of Commerce, Bureau of Census, Non-Employer Statistics

The total value of receipts corresponds to the income received for services rendered. Total receipts grew by 42.4% from \$2.4 billion in 2002 to \$4.9 billion in 2010. The trend increase was interrupted by a decline in 2009 that was induced by the Great Recession. The largest gain occurred among Artists, Managers, and Independent Artists. However, Sound Recording & Related fell 5.3% over that time period.

The self-employment numbers in the industry are significant, equivalent to over one-third of the wage and salary employment, for a total of nearly 247,000 workers. Moreover, when self-employment receipts of \$4.9 billion are added to the industry payroll of \$18.9 billion, wage, salary, and self-employment payments amount to \$23.8 billion.

## Entertainment Industry Non-Employer Firms

	Number of Firms		2009-2010 Change	
	2009	2010	Difference	Percent
<b>Sound Recording &amp; Related:</b>				
<i>Sound Recording</i>	2,504	2,557	53	2.1%
<b>Motion Picture &amp; Related:</b>				
<i>Motion Picture/Video Production</i>	13,744	14,306	562	4.1%
<b>Programming:</b>				
<i>Broadcasting (except Internet)</i>	992	989	(3)	-0.3%
<b>Live Entertainment:</b>				
<i>Performing Arts Companies</i>	3,517	3,729	212	6.0%
<b>Agents &amp; Managers:</b>				
<i>Agents &amp; Managers of Artists, etc.</i>	3,950	4,231	281	7.1%
<i>Independent Artists, Writers, etc.</i>	56,455	59,220	2,765	4.9%
<i>Agents &amp; Managers Total</i>	60,405	63,451	3,046	5.0%
<b>TOTAL</b>	<b>81,162</b>	<b>85,032</b>	<b>3,870</b>	<b>4.8%</b>

Source: US Dept. of Commerce, Bureau of Census, Non-Employer Statistics

## V. Economic Impact

Analysis of employment, wages, and the number of firms for a given industry within Los Angeles County offers only a partial assessment of that industry's presence and economic impact on the county economy. An economic contribution analysis goes beyond the industry itself and describes that portion of the county economy that can be attributed to an industry.

This analysis is performed by identifying all backward linkages in the study area related to the subject. Results, when compared with the entire economy, can offer insights into the relative extent and magnitude of the industry being examined. Economic impact analysis is used to estimate the overall effects, including spill-over and multiplier impacts, which occur as a result of the industry's activities.

The metrics used to determine the value of the industry's contribution include employment, labor income and the value of output. *Employment* includes full-time, part-time, permanent and seasonal employees and the self-employed, and is measured on a job-count basis regardless of the number of hours worked. *Labor income* includes all income received by both payroll employees and the self-employed, including wages and benefits such as health insurance and pension plan contributions. *Output* is the value of the goods and services produced. For most industries, this is simply the revenues generated through sales; for others, in particular retail industries, output is the value of the services supplied.

The total impacts include direct, indirect and induced effects. *Direct* employment refers to the personnel hired by firms in the industry, including rank and file employees, administrative, management, maintenance, retail, food service, parking attendants and so on. Direct output is the value of the services provided by each business firm or entity. *Indirect* effects are those which stem from the employment and output in the industry's supply chain. *Induced* effects are those generated by the household spending of employees whose wages are sustained by both direct and indirect spending.



<b>Economic Contribution of Entertainment Industry</b>	
Description	Amount (\$ Billions)
<b>Output</b>	\$121.2
<b>Labor Income</b>	\$43.3
<b>State &amp; Local Taxes</b>	\$5.6
Employment	Jobs
<b>Direct</b>	246,900
<b>Indirect</b>	118,900
<b>Induced</b>	220,000
<b>Total</b>	585,800

Source: LAEDC Economic and Policy Analysis Group

The entertainment industry accounted for 585,800 total jobs (including direct, indirect, and induced) in 2011, of which there were 246,900 direct jobs (wage and salary workers plus self-employed), 118,900 indirect jobs, and 219,970 induced jobs. Associated with these jobs is labor income of \$43.3 billion, while the industry output amounted to \$121.2 billion, both of which are measured in 2011 dollars. In addition, the industry generated \$5.6 billion in state and local taxes.

When placed in the context of the Los Angeles County as a whole, Entertainment Industry-related employment of 585,800 jobs is equivalent to 17.6% of the County's 3.3 million private non-farm wage and salary jobs in 2011. The industry also generates over \$120 billion annually in output, with \$47 billion in value added that is directly related to the entertainment industry (the balance attributable to indirect and induced effects). The industry's direct value added impact of \$47 billion is equivalent to 8.4% of Los Angeles County's estimated annual Gross County Product (\$558 billion) in 2011. Spending by these businesses and their workers also yields nearly \$6 billion annually in state and local taxes.

A more detailed allocation of employment and output across the major industries of the county economy appears in the table on the following page.

Economic Contribution Of the Entertainment Industry by Industry in Los Angeles County		
Industry	Employment	Output (\$ millions)*
Agriculture	90	\$10
Mining	290	95
Utilities	480	424
Construction	2,430	349
Manufacturing	6,540	3,006
Wholesale trade	5,690	953
Retail trade	38,350	2,931
Transportation and warehousing	11,900	1,489
Information	163,730	59,353
Finance and insurance	27,660	5,985
Real estate and rental and leasing	22,230	8,094
Professional, scientific and technical services	42,750	6,474
Management of companies	2,440	458
Administrative and waste management	38,860	2,156
Educational services	9,680	778
Health care and social assistance	43,380	4,463
Arts, entertainment and recreation	111,330	19,623
Accommodation and food services	28,220	1,808
Other services	24,540	1,738
Public administration	5,220	979
<b>Total **</b>	<b>585,790</b>	<b>\$121,166</b>

\* 2011 dollars

\*\* May not sum due to rounding

Source: Estimates by LAEDC EPAG

### ***Motion Picture and Video Royalties***

As highlighted in this study, the film industry is one of the most significant industries in the Los Angeles regional economy. The major studios generate billions of dollars every year from films that are distributed in the U.S. and to more than 150 countries globally. In fact, because motion picture and video exports exceed imports, they return a positive balance of trade in services to the U.S. economy.

All forms of artistic work are classified as Intellectual Property (IP) meaning that an organization such as one of the major studios or an individual has exclusive rights in terms of financial gains. Those involved in the production of a motion picture receive royalties for every financial gain earned by a particular project. In particular, producers of motion pictures collect royalties in return for granting permission to display, broadcast, reproduce, or distribute those films in movie theaters, on commercial flights, and other public venues across the globe. This also includes films on DVDs, Blu-ray discs, video on demand, and the Internet.

Based on data from the Brookings Institution publication, "*Export Nation*", the Los Angeles Metropolitan Statistical Area or MSA (which includes Los Angeles and Orange Counties) was the top metropolitan area in the U.S. for exports of goods and services at nearly \$80 billion in 2010 (the most recent data). Overall, royalties from motion pictures and videos represented the second largest export for the MSA with a total of \$6.8 billion in 2010. Of the \$6.8 billion, \$6.6 billion or 97% of the MSA total was generated from Los Angeles County.

## VI. Conclusion

As the findings of this study illustrate, the Entertainment Industry may be one of the most visible parts of the Los Angeles County economy, but it is also one of the largest in terms of economic impact and jobs. Moreover, the average employee earns an annual wage that is generally much higher than the average for the typical worker in the county.

Despite a history that has been marked by global acclaim and financial success, the industry faces challenges in the years ahead. But it also faces new opportunities.

### Challenges

Over the past decade a substantial amount of *runaway film and television production* has left Los Angeles County. According to FilmLA, the amount of on-location movie production in Los Angeles has plunged by 60% over the past 15 years. In 2005, 82% of all new television pilots were shot in Los Angeles County. By 2011 that figure had sunk to 51%. This has had a substantial impact on the local economy. Based on previous research conducted by the LAEDC, a single \$175 million movie sustains 2,400 jobs and generates \$27 million in state and local tax revenue. Also, 92 percent of all goods and services purchased by California-based film and television production are locally sourced in the state. Furthermore, the California Film Commission states that a medium budget film leads on average to the acquisition of goods and services from 485 unique vendors. The multiplier effects are quite significant, spilling over into other key industries such as tourism, digital media, and information technology.

### *Domestic Competition*

Domestic competitors in several states compete with Los Angeles County and California for film and television production. In total, over 40 states compete aggressively for this business. The key states include New York, Louisiana, Texas, Michigan, Georgia, Illinois, Florida, and New Mexico.

The first out-of-state incentive programs rolled out in the early 2000s. Many states have strong incentive programs in place that have proven to be very effective in attracting production away from Hollywood. They differentiate themselves from California by offering more benefits, in some cases over a number of years, and fewer restrictions.

Arguably, runaway production has had a deleterious effect on industry employment. Looking exclusively at the Motion Picture and Video Production subsector (NAICS Industry Code 512110), employment in Los Angeles County peaked in 2004 at 118,200 jobs, approximately the same

time other states were implementing film incentive programs. At that time, sector employment in Los Angeles County represented 60% of the sectors 195,600 jobs nationally. By 2011, the subsector lost 16,100 jobs (a decrease of 13.6%), falling to 102,100 jobs and 51% of the nation's 199,200 subsector employment. (With the exception of Motion Picture and Video Distribution, the other subsectors experienced similar job losses over the time period as well). However, New York State alone added 14,100 jobs in this sector over that period, while Georgia added nearly 800 jobs. Meanwhile, Louisiana added over 2,200 jobs since implementing its own tax credit program in 2002. Other states added jobs in the sector as well.

The industry job losses in Los Angeles County may not be entirely attributed to runaway production. However, the significant decrease in Los Angeles County sector employment at a time when national employment and employment in other states increased may be due in part to runaway production. California's Film and Television Tax Credit Program, which is discussed below, represents a policy response to the problem of domestic runaway production.

#### *International Competitors*

International competitors also pose a significant challenge to Hollywood's role in the global entertainment industry.

Hollywood North (Canada): Disney, DreamWorks, Lionsgate, NBC/Universal, Paramount, Sony/Columbia, and Warner Bros. have operations in Canada. Lionsgate Entertainment Corporation, one of the leading independent filmed entertainment studios, was founded in Vancouver, British Columbia and is now headquartered in Santa Monica. Both Toronto, Ontario and Vancouver, British Columbia are centers for the Canadian film industry, diverting a significant amount of film and television production from Hollywood by offering government tax credits and incentives.

Bollywood (India): No other country in the world produces more films than India. Bollywood, located in Mumbai, is the center of Indian film production. Bollywood is formally referred to as Hindi Cinema. India is one of only four countries in the world where domestically produced films comprise more than 50% of total box office receipts. By 2009, the Indian film industry earned \$3.2 billion in revenues, with over \$5 billion projected by 2013.

Nollywood (Nigeria): According to UNESCO's Institute for Statistics, Nigeria surpassed Hollywood in 2009 to become the second largest film producer in the world after India's Bollywood, based on the number of

## Conclusion

films made. Nollywood is a \$250 million film industry. It produced roughly 2,000 films (40 films per week) in 2011. The average production in Nigeria takes around 10 days and costs an average of \$12,500. Nollywood films have become popular throughout Africa, Europe, the Caribbean and even in North America.

### *Piracy*

Piracy and the protection of intellectual property rights represent one of the other biggest challenges threatening the U.S. motion picture industry. The act of piracy negatively impacts producers, distributors, theaters, video stores, and pay-per-view providers. Major studios have been losing billions of dollars annually to piracy worldwide, which translates into thousands of lost jobs.

It has been estimated that roughly 80 to 90% of piracy occurs overseas, mostly in the form of counterfeit DVDs. There is also a substantial amount of internet piracy. The highest rates of piracy have occurred in China, Russia, and in other emerging markets. However, the total revenues lost are higher in the larger, mature markets of Europe and Japan.

Advancements in information technology and communications have made it easier than ever today to participate in this illegal activity. Unfortunately, the global community has not been able to respond effectively or collectively to this issue. Attempts have been made in some countries to pass meaningful legislation in order to enforce the protection of intellectual property rights. This kind of legislation was considered by both the U.S. House of Representatives and the U.S. Senate in the form of the Stop Online Piracy Act (SOPA) and the Protect Intellectual Property Act (PIPA). However, neither has been approved, and both have proven to be controversial.

### Opportunities

#### *Tax Credits and Other Incentives*

It is vital for the motion picture and video sector to have a program in place to prevent runaway production to other states or countries. As highlighted in this report, the competition for film and television production is fierce. On September 30, 2012 Governor Jerry Brown signed Assembly Bill 2026 and Senate Bill 1197 into law, which extends funding by \$200 million for California's Film and Television Tax Credit Program through fiscal year 2016-2017. The original tax credit program was enacted in 2009 and lasted for five years. In 2011, it was extended through fiscal year 2014-2015. The new law continues the \$100 million annual subsidy for productions that are made in the state through fiscal year 2016-2017

and a minimum of \$10 million of this annual funding is available for independent films.

The extension of this tax credit program was a significant development for the film and television industry, which should continue to pay big dividends for the industry and the U.S., state and local economies. The program has been responsible for an estimated \$3.8 billion in economic output and for 27,000 mostly well-paying jobs, while preserving a critical mass of creative workers.

California is currently at a competitive disadvantage because other states have made a concerted effort to create an attractive environment for film and television production. For example, California offers only single-year tax credits, not multi-year credits or credits with no sunset as in other states. Georgia, Louisiana and New Mexico have no sunset or timeline in place, which creates a larger incentive for TV series that require multiple years of production. Other key differences between California and other states include no cap on annual funding or no cap on project budgets. Another key element refers to the maximum benefit that can be applied. Given these incentives from other states, California has seen a trend decline in motion picture and video production since 2004.

### *Model Film Ordinance*

The LAEDC, along with the Southern California Association of Governments (SCAG), FilmLA, and the California Film Commission joined together to help protect California's film, television, and commercial production industry by creating a Model Film Ordinance and Best Practices. The major objective of this undertaking was to provide the entertainment industry with a uniform set of policies and procedures to secure on-location production. After extensive stakeholder outreach, the California Film Commission adopted a new statewide Model Film Ordinance and Best Practices on May 1, 2012. The goal is to have cities and counties adopt local filming ordinances based on this new state ordinance that will streamline the permitting process, and send a clear signal that this is a coveted industry that the state intends to defend and retain. By adopting this new Model Film Ordinance and Best Practices, the California Film Commission has clearly demonstrated that they are committed to supporting the entertainment industry. As has been consistently demonstrated throughout this analysis, the entertainment industry is a vital part of our economy. Ever since this was adopted, several cities including Carson, Simi Valley, and Duarte have revised their own ordinances to better match those in the statewide ordinance.

### *The Global Economy and the Entertainment Industry*

The world economy has undergone a significant transformation over the past twenty years. Emerging economies such as China, India, and Brazil are assuming a larger role on the global economic stage, challenging the historical dominance of advanced economies. This has already affected the global motion picture industry and will continue to have a profound impact in the future.

All of the growth in box office receipts last year came from a rise in international receipts. International box office receipts increased by 7% to \$22.4 billion, while domestic box office receipts declined by 4% to \$10.2 billion. International box office receipts make up nearly 70% of total receipts, and have climbed by 35% over the past five years. This growth has been driven in part by developments in China and India, but growth in the future is also expected from Russia, Brazil, Indonesia and other emerging economies as well, as economic development gives rise to a middle class that demands more consumer goods and services, including entertainment.

### *Silicon Beach and the Entertainment Industry (Digital Media)*

With the growth of digital media in entertainment, growing numbers of digital artists are moving onto the payrolls of film studios. Jobs in this sector have registered modest growth in recent years, in part because of the synergies created by the nexus of entertainment, media, and technology in the region. Roughly 600 start-ups have been established over the past few years in Los Angeles County. There are 15 business accelerators and 27 incubators supporting the creation of these start-ups. Most tech companies are located in an area that has been designated as “Silicon Beach”, a three-mile stretch from Venice to Santa Monica. The future prospects for Silicon Beach and the entertainment industry are promising due to its proximity to Hollywood. Most importantly, Hollywood will only continue to demand digital advertising and social networking services as well as original content for consumption. While it remains to be seen whether or not Silicon Beach can fully establish itself, the future for digital media services in the entertainment industry seems to be bright.



# APPENDIX

The following industries were included in the definition of Entertainment Industry for the purpose of this study.

Table A-1

<b>NAICS</b>	<b>INDUSTRY CATEGORY</b>
512110	Motion Picture and Video Production
512120	Motion Picture and Video Distribution
512131	Motion Picture Theaters excluding Drive-Ins
512132	Drive-In Motion Picture Theaters
512191	Teleproduction and Postproduction Services
512199	Other Motion Picture and Video Industries
512210	Record Production
512220	Integrated Record Production and Distribution
512230	Music Publishers
512240	Sound Recording Studios
512290	Other Sound Recording Industries
5151	Broadcast Radio and TV
515210	Cable and Other Subscription Programming
711110	Theater Companies and Dinner Theaters
711120	Dance Companies
711130	Musical Groups and Artists
711190	Other Performing Arts Companies
711410	Agents and Managers for Public Figures
711510	Independent Artists, Writers, and Performers

Table A-2: Entertainment Industry Employment 2001-2011, By Industry Sector and Total

<b>Motion Picture &amp; Related</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Motion Picture and Video Production	76,500	101,778	99,197	118,172	109,346	108,721	108,360	110,413	98,282	100,856	102,067
Motion Picture and Video Distribution	2,400	2,049	1,902	1,934	1,997	2,030	2,103	2,153	2,395	2,250	1,952
Teleproduction and Postproduction Services	7,289	7,622	6,644	6,711	7,150	7,352	6,928	7,658	7,440	7,970	8,210
Other Motion Picture and Video Industries	8,099	8,089	7,694	7,187	6,945	6,757	6,919	6,849	6,213	5,893	5,612
<b>Motion Picture &amp; Related Total</b>	<b>94,288</b>	<b>119,538</b>	<b>115,437</b>	<b>134,004</b>	<b>125,438</b>	<b>124,860</b>	<b>124,310</b>	<b>127,073</b>	<b>114,330</b>	<b>116,969</b>	<b>117,841</b>

<b>Sound Recording &amp; Related</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Record Production	268	322	275	236	223	222	234	203	153	146	146
Integrated Record Production and Distribution	1,393	1,197	1,123	1,114	1,154	1,131	984	919	892	887	848
Music Publishers	336	366	461	465	494	499	590	554	562	543	576
Sound Recording Studios	1,776	1,371	1,146	1,048	1,080	1,157	2,622	1,331	1,278	1,222	1,284
Other Sound Recording Industries	1,268	1,810	1,900	754	705	686	696	311	235	196	193
<b>Sound Recording &amp; Related Total</b>	<b>5,041</b>	<b>5,066</b>	<b>4,905</b>	<b>3,617</b>	<b>3,656</b>	<b>3,695</b>	<b>5,126</b>	<b>3,318</b>	<b>3,120</b>	<b>2,994</b>	<b>3,047</b>

<b>Radio, TV, &amp; Cable</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Radio and Television Broadcasting	12,918	11,793	11,379	12,333	12,255	11,887	12,438	12,612	12,040	13,288	14,227
Cable and Other Subscription Programming	6,215	5,153	5,542	5,413	6,139	6,484	7,134	6,706	6,255	4,254	4,276
<b>Radio, TV, &amp; Cable Total</b>	<b>19,133</b>	<b>16,946</b>	<b>16,921</b>	<b>17,746</b>	<b>18,394</b>	<b>18,371</b>	<b>19,572</b>	<b>19,318</b>	<b>18,295</b>	<b>17,542</b>	<b>18,503</b>

Table A-2: Entertainment Industry Establishments 2001-2011, By Industry Sector and Total

Live Entertainment	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Theater Companies and Dinner Theaters	1,583	1,666	1,435	1,396	1,386	1,550	1,478	2,229	2,026	1,959	1,983
Dance Companies	135	129	154	137	101	108	115	136	122	84	90
Musical Groups and Artists	3,411	2,972	4,066	4,453	4,222	3,689	3,538	3,289	3,019	2,735	2,805
Other Performing Arts Companies	168	184	262	110	48	49	114	165	136	123	162
<b>Live Entertainment Total</b>	<b>5,297</b>	<b>4,951</b>	<b>5,917</b>	<b>6,096</b>	<b>5,757</b>	<b>5,396</b>	<b>5,245</b>	<b>5,819</b>	<b>5,303</b>	<b>4,901</b>	<b>5,040</b>

Agents, Managers & Independent Artists	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agents and Managers for Public Figures	4,143	4,203	4,348	4,497	4,613	4,953	6,329	6,305	6,528	6,519	6,859
Independent Artists, Writers, and Performers	10,509	11,429	13,966	10,870	9,604	10,593	10,371	10,140	9,741	9,461	10,572
<b>Agents, Managers, &amp; Independent Artists Total</b>	<b>14,652</b>	<b>15,632</b>	<b>18,314</b>	<b>15,367</b>	<b>14,217</b>	<b>15,546</b>	<b>16,700</b>	<b>16,445</b>	<b>16,269</b>	<b>15,980</b>	<b>17,431</b>

Table A-3: Entertainment Industry Establishments 2001-2011, By Industry Sector and Total

<b>Motion Picture &amp; Related</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Motion Picture and Video Production	4,782	4,721	4,447	4,268	4,134	4,405	4,273	4,185	4,251	4,062	4,024
Motion Picture and Video Distribution	150	141	126	119	110	119	119	111	114	117	106
Teleproduction and Postproduction Services	516	504	493	504	485	501	496	525	569	569	575
Other Motion Picture and Video Industries	310	339	320	298	277	277	263	263	250	245	222
<b>Motion Picture &amp; Related Total</b>	<b>5,758</b>	<b>5,705</b>	<b>5,386</b>	<b>5,189</b>	<b>5,006</b>	<b>5,302</b>	<b>5,151</b>	<b>5,084</b>	<b>5,184</b>	<b>4,993</b>	<b>4,927</b>

<b>Sound Recording &amp; Related</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Record Production	89	87	76	70	63	64	59	61	62	61	59
Integrated Record Production and Distribution	54	46	46	46	48	52	46	43	43	40	40
Music Publishers	104	110	109	117	112	116	118	121	129	126	127
Sound Recording Studios	239	226	205	201	191	194	189	190	191	181	173
Other Sound Recording Industries	88	78	64	58	51	55	50	52	47	40	41
<b>Sound Recording &amp; Related Total</b>	<b>574</b>	<b>547</b>	<b>500</b>	<b>492</b>	<b>465</b>	<b>481</b>	<b>462</b>	<b>467</b>	<b>472</b>	<b>448</b>	<b>440</b>

<b>Radio, TV, &amp; Cable</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Radio and Television Broadcasting	233	211	215	216	213	235	233	240	235	241	234
Cable and Other Subscription Programming	79	79	80	80	77	85	81	86	97	90	85
<b>Radio, TV, &amp; Cable Total</b>	<b>312</b>	<b>290</b>	<b>295</b>	<b>296</b>	<b>290</b>	<b>320</b>	<b>314</b>	<b>326</b>	<b>332</b>	<b>331</b>	<b>319</b>

Table A-3: Entertainment Industry Establishments 2001-2011, By Industry Sector and Total

<b>Live Entertainment</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Theater Companies and Dinner Theaters	153	149	140	125	119	119	114	109	112	110	115
Dance Companies	23	28	30	29	27	28	28	35	39	32	32
Musical Groups and Artists	975	906	808	696	654	633	595	579	575	532	513
Other Performing Arts Companies	43	41	28	21	22	22	22	28	28	29	29
<b>Live Entertainment Total</b>	<b>1,194</b>	<b>1,124</b>	<b>1,006</b>	<b>871</b>	<b>822</b>	<b>802</b>	<b>759</b>	<b>751</b>	<b>754</b>	<b>703</b>	<b>689</b>

<b>Agents &amp; Managers</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Agents and Managers for Public Figures	611	653	656	673	669	707	694	701	672	665	676
Independent Artists, Writers, and Performers	4,286	4,796	5,270	5,686	5,872	6,554	6,432	6,399	6,617	6,216	6,237
<b>Agents &amp; Managers Total</b>	<b>4,897</b>	<b>5,449</b>	<b>5,926</b>	<b>6,359</b>	<b>6,541</b>	<b>7,261</b>	<b>7,126</b>	<b>7,100</b>	<b>7,289</b>	<b>6,881</b>	<b>6,913</b>

Table A-4: Entertainment Industry Payroll 2001-2011, By Industry Sector and Total (\$ millions)

Motion Picture & Related	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Motion Picture and Video Production	\$6,857.5	\$8,359.4	\$8,136.3	\$9,501.3	\$9,477.3	\$9,352.7	\$9,465.3	\$9,614.2	\$9,188.7	\$9,829.3	\$9,817.7
Motion Picture and Video Distribution	\$230.2	\$237.6	\$258.2	\$367.1	\$297.4	\$262.6	\$289.5	\$329.6	\$345.4	\$363.9	\$309.5
Teleproduction and Postproduction Services	\$560.7	\$525.5	\$530.9	\$543.6	\$583.3	\$639.2	\$609.5	\$863.8	\$823.4	\$932.5	\$999.6
Other Motion Picture and Video Industries	\$258.8	\$263.6	\$269.1	\$260.1	\$300.2	\$286.8	\$311.5	\$305.9	\$221.1	\$196.6	\$216.9
<b>Motion Picture &amp; Related Total</b>	<b>\$7,907.2</b>	<b>\$9,386.1</b>	<b>\$9,194.5</b>	<b>\$10,672.1</b>	<b>\$10,658.2</b>	<b>\$10,541.3</b>	<b>\$10,675.8</b>	<b>\$11,113.4</b>	<b>\$10,578.7</b>	<b>\$11,322.3</b>	<b>\$11,343.8</b>

Motion Picture & Related	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Record Production	\$31.9	\$39.1	\$30.9	\$30.1	\$27.9	\$32.1	\$27.3	\$24.3	\$16.5	\$17.2	\$17.8
Integrated Record Production and Distribution	\$133.1	\$129.7	\$115.9	\$126.4	\$133.8	\$138.3	\$109.9	\$115.3	\$101.2	\$118.8	\$109.4
Music Publishers	\$38.1	\$40.4	\$45.4	\$53.5	\$44.8	\$50.0	\$63.2	\$54.6	\$55.0	\$53.0	\$58.2
Sound Recording Studios	\$90.1	\$76.8	\$54.4	\$53.1	\$55.3	\$61.2	\$143.2	\$90.3	\$93.3	\$91.2	\$105.5
Other Sound Recording Industries	\$55.7	\$51.8	\$55.0	\$49.9	\$44.8	\$46.1	\$49.4	\$31.4	\$27.8	\$25.8	\$22.9
<b>Sound Recording &amp; Related Payroll Total</b>	<b>\$348.9</b>	<b>\$337.9</b>	<b>\$301.6</b>	<b>\$313.0</b>	<b>\$306.6</b>	<b>\$327.7</b>	<b>\$393.0</b>	<b>\$315.9</b>	<b>\$293.7</b>	<b>\$306.0</b>	<b>\$313.8</b>

Radio, TV, & Cable	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Radio and Television Broadcasting	\$1,145.3	\$1,008.8	\$1,019.6	\$1,112.7	\$1,157.7	\$1,275.8	\$1,399.5	\$1,379.7	\$1,344.0	\$1,538.7	\$1,649.1
Cable and Other Subscription Programming	\$452.9	\$379.5	\$397.3	\$420.8	\$474.3	\$562.7	\$647.1	\$643.2	\$603.9	\$433.4	\$441.9
<b>Radio, TV, &amp; Cable Payroll Total</b>	<b>\$1,598.3</b>	<b>\$1,388.3</b>	<b>\$1,416.9</b>	<b>\$1,533.6</b>	<b>\$1,632.0</b>	<b>\$1,838.5</b>	<b>\$2,046.6</b>	<b>\$2,022.9</b>	<b>\$1,947.8</b>	<b>\$1,972.1</b>	<b>\$2,091.0</b>

Table A-4: Entertainment Industry Payroll 2001-2011, By Industry Sector and Total (\$ millions)

Live Entertainment	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Theater Companies and Dinner Theaters	\$40.9	\$43.0	\$41.8	\$97.3	\$108.9	\$111.8	\$50.6	\$79.4	\$74.7	\$69.5	\$69.1
Dance Companies	\$5.5	\$4.0	\$4.9	\$4.3	\$5.2	\$3.9	\$3.8	\$4.6	\$4.0	\$3.2	\$4.6
Musical Groups and Artists	\$423.5	\$359.6	\$691.7	\$602.0	\$595.0	\$608.4	\$696.4	\$736.9	\$542.5	\$502.1	\$555.6
Other Performing Arts Companies	\$11.6	\$11.9	\$14.7	\$6.4	\$6.0	\$6.0	\$7.4	\$10.8	\$8.7	\$9.4	\$14.5
<b>Live Entertainment Payroll Total</b>	<b>\$481.4</b>	<b>\$418.6</b>	<b>\$753.0</b>	<b>\$710.0</b>	<b>\$715.1</b>	<b>\$730.1</b>	<b>\$758.1</b>	<b>\$831.7</b>	<b>\$629.9</b>	<b>\$584.3</b>	<b>\$643.7</b>

Agents & Managers	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agents and Managers for Public Figures	\$543.4	\$575.7	\$583.5	\$660.1	\$671.7	\$716.7	\$786.7	\$826.1	\$874.5	\$907.2	\$904.9
Independent Artists, Writers, and Performers	\$2,127.5	\$2,378.6	\$2,625.1	\$2,935.6	\$2,673.7	\$2,938.7	\$2,975.6	\$3,256.4	\$3,163.5	\$3,240.0	\$3,647.7
<b>Agents &amp; Managers Payroll Total</b>	<b>\$2,670.9</b>	<b>\$2,954.3</b>	<b>\$3,208.6</b>	<b>\$3,595.7</b>	<b>\$3,345.4</b>	<b>\$3,655.4</b>	<b>\$3,762.3</b>	<b>\$4,082.4</b>	<b>\$4,038.0</b>	<b>\$4,147.3</b>	<b>\$4,552.6</b>



