



ANDREW YOUNG SCHOOL  
OF POLICY STUDIES



Second Annual Atlanta Studies Symposium  
April 4, 2014

# “Hollywood South” or Box Office Bust:

**Atlanta’s Growing Media Presence &  
Its Implications for Employment Growth**

Ric Kolenda

Georgia State University & Georgia Institute of Technology



"Hollywood South" or Box Office Bust

4/5/14

# FAST & FURIOUS

TO: Area Residents & Business Proprietors of Downtown Atlanta

FROM: R. Taylor

DATE: September, 17<sup>th</sup> 2013

RE: Street closure permit application due to filming of "Fast & Furious 7"

Dear Area Residents & Business Proprietors of Downtown Atlanta,

Please accept thismissive of information for FP7 Productions, LLC's intention and consequences of our upcoming motion picture in the downtown area. The scenes are currently scheduled for Saturday, September 28<sup>th</sup>, 2013. Due to the nature of our work, and the scene, it will be necessary to have street and sidewalk closures in place, as well as, Intermittent Traffic Control (ITC) for our filming endeavors. We will employ the assistance of Atlanta Police Department Officers to help coordinate traffic, as well as, to protect the residents and pedestrians in the area.

Please find below the list of full street closures that we are requesting from the city, corresponding dates and approximated times:

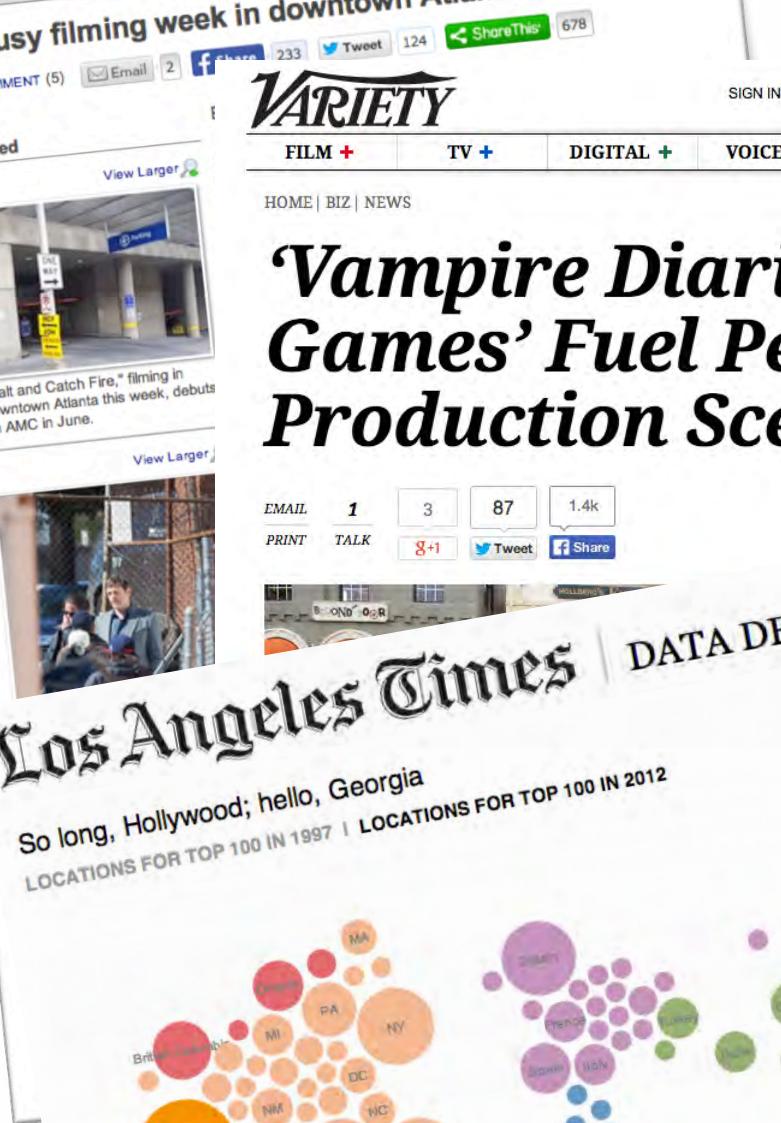
- Decatur St. SE and the South side walk; between Peachtree St. NW & Piedmont Rd. 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)
- Peachtree Center Ave SE; between Edgewood Ave NE and Wall St. SE 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)
- Pryor St. SE; between Edgewood Ave NE and Wall St. SE 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)
- Kimball St. SW; between Decatur St. SE and Lower Wall St. SE 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)
- North East curb lane of Lower Wall St. SE; between Peachtree St. NW and Central Ave SW 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)
- Forryth St. SW; between Marietta St. NW & Nelson St. SW 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)
- Martin Luther King Jr. Dr. SW; between Peachtree St. SW & Spring St. SW 9/28/13 (Approximately 6AM) – 9/28/13 (Approximately 2:00PM)

We will be installing appropriate traffic control devices, and will have the appropriate Atlanta Police Officers to safely enforce these closures. We will do our best to re-open the closures as soon as we are done with our work in any particular location.



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A busy filming week in downtown Atlanta RSS

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**VARIETY**

FILM + TV + DIGITAL + VOICES +

HOME | BIZ | NEWS

# 'Vampire Diaries,' 'Games' Fuel Peach Production Scene

"Halt and Catch Fire," filming in downtown Atlanta this week, debuts on AMC in June.

EMAIL 1 PRINT TALK 3 87 1.4k g+1 Twitter Share

**Los Angeles Times** DATA DESK

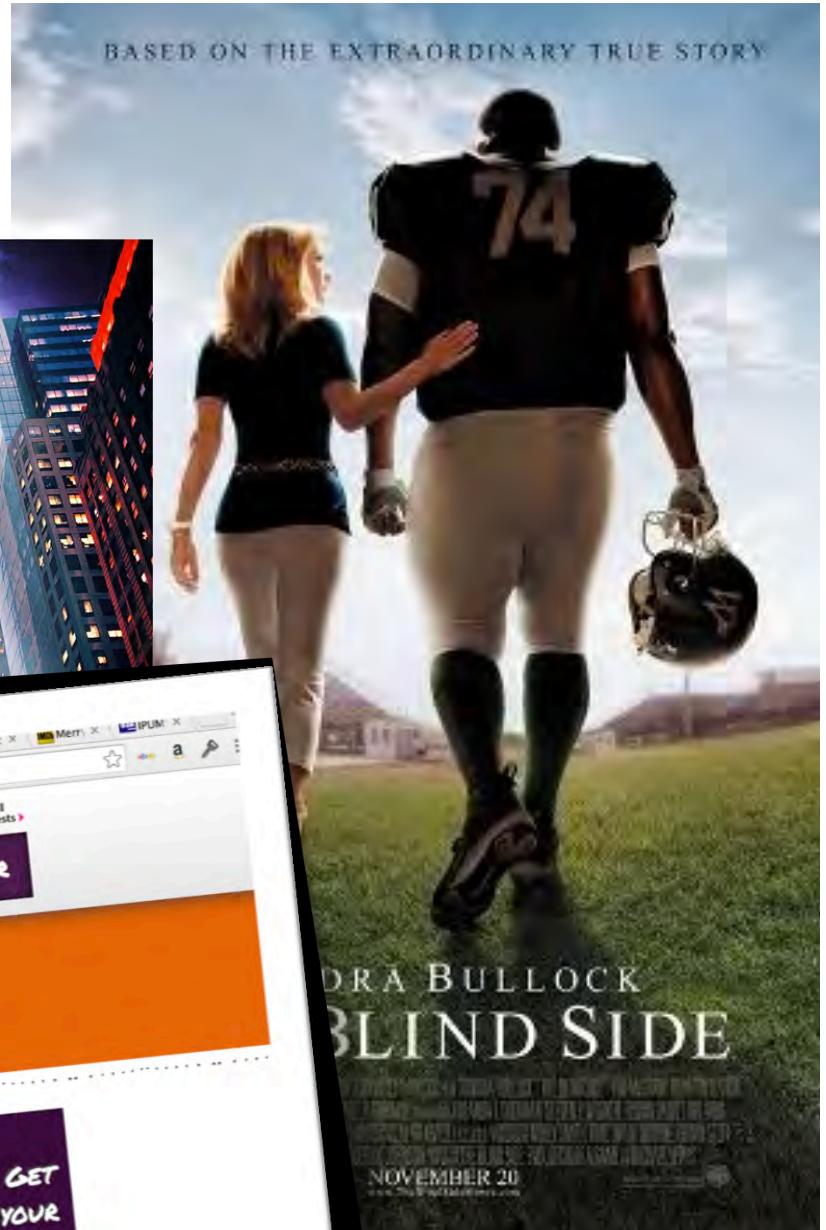
So long, Hollywood; hello, Georgia

LOCATIONS FOR TOP 100 IN 1997 | LOCATIONS FOR TOP 100 IN 2012



Category	Location	Count (approx.)
1997	CA	15
	NY	10
	PA	8
	MI	5
	DC	4
	FL	4
	NC	3
	LA	3
	GA	2
	Other	10
2012	CA	10
	NY	8
	MI	5
	PA	4
	GA	4
	FL	3
	NC	3
	DC	2
	Other	10
	International	10

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A screenshot of the Georgia Film + Music website. The top navigation bar includes links for 'MAP', 'FILM PRODUCERS THIS WAY', 'WIN STUFF!', and 'See all contests'. Below the navigation is a banner with 'FILM + TV', 'MUSIC', and 'FAN INSIDER'. The main content area features a search bar with the placeholder 'i.e. enter title of a film, tv show, musician or location' and a 'FIND' button. To the left, there is a section titled 'Find Stuff: ?' with buttons for 'Title / Keyword', 'Film &amp; TV', and 'Music'. Below this is an 'ARTICLE' section titled 'Now Filming in Georgia' with a sub-section 'Keep track of shows currently in production'. At the bottom, there is a 'Share' button with social media links and a 'BOX OFFICE BUST' section. A small graphic for 'Georgia' travel guide is also visible.

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# The Question of Industry Incentives

- Do they work in building sustainable industry clusters?
- Critiques:
  - ▣ “Race to the bottom”
  - ▣ Rent-seeking behavior
  - ▣ Need to address supply & marketing chains
  - ▣ Lack of accountability
  - ▣ Corruption

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# Do MPIs create a sustainable industry?

- Little academic research on film industry & economic development
- Prior research has focused on short-term fiscal & economic impacts
- I look at local jobs and firms

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# The Case of Georgia

- 40-year history of film production support
- First tax incentive package passed in 2005
  - 9% transferable base tax credit
  - Additional 3% for hiring Georgia residents
- Incentives expanded in 2008
  - 20% transferable base tax credit
  - Additional 10% for Georgia logo in the credits



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# Legislative Purpose

- Some argue that any spending by film production is beneficial
- Most studies use economic impact to assess value
- GA legislators seem to focus more on industry growth than immediate economic impact

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# Evidence Supporting Industry Growth Goals

- Press statements from Former-Governor Sonny Perdue offered the following rationale:
  - “The legislation will help **attract** and **grow traditional film and video** companies and projects, as well as lay the foundation to **grow the next generation of entertainment companies in this state.**” (2005)
  - “It will be a catalyst that will **spur immediate economic investment** and **create jobs.**” (GA Sen. Mitch Seabaugh, 2008)
  - “**We expect to see an increase in the number of industry jobs and overall economic impact for the state in the coming years.**” (GDEcD Commissioner Ken Stewart, 2008)

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# Expansion in 2013

“Georgia-filmed productions spent \$933.9 million in Georgia during fiscal year 2013... with 11 soundstage facilities locating in Georgia, and more than 70 film-related companies locating or expanding here – this industry is creating jobs for Georgians.”

– GDEcD Commissioner Chris Carr

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# Current & Recent Film Productions

- In Production
  - Seashore
  - Goosebumps
  - Taken 3
  - Mineral
  - Term Life

- Recent Productions
  - The Hunger Games: Mockingjay
  - Fast & Furious 7
  - Dumb & Dumber To
  - Merry Friggin' Christmas
  - No Good Deed
  - Anchorman 2
  - Ride Along
  - Identity Thief
  - The Hunger Games: Catching Fire
  - Flight
  - The Internship
  - Trouble With The Curve
  - Wanderlust
  - Lawless
  - Zombieland

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# Current & Recent TV Productions

## □ TV Series

- The Walking Dead
- Vampire Diaries
- Halt & Catch Fire
- Devious Maids
- The Originals
- Rectify
- Drop Dead Diva
- Finding Carter
- Constantine (Pilot)
- Red Band Society (Pilot)

## □ Reality TV

- Real Housewives of Atlanta
- Mega Dens
- Dish Nation
- Property Brothers
- Hollywood Exes of Atlanta
- Don't Be Tardy
- The Carbonaro Effect
- Kim of Queens
- Kandi's Wedding

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# The Problem of Measurement

- The stated purpose is to create industry jobs and build the industry in the state
- The metrics for success are the number of productions and the costs of those productions
- The question remains: does the tax incentive create industry jobs, and/or grow the local industry?

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# Data

- County Business Patterns (CBP), 2002-2010
- American Community Survey microdata (ACS) 2007-11 Pooled
- Georgia QCEW (ES-202) data
- Collected data from states on MPIs
- IMDb Pro Productions by Location
- Dependent Variables:
  - # of employees
  - # of establishments
- Independent Variables:
  - MPIs
  - State location quotient – Motion Picture Industry (5121)
  - National film industry emp. growth
  - State employment growth

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# Datasets – ES-202

- ES-202 (a.k.a. Quarterly Covered Employment Where Wages, or QCEW)
  - Establishment-level monthly data (12<sup>th</sup> of each month)
  - Detailed to 6-digit NAICS
  - Does not include self-employed

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# Datasets – IMDb Pro

- **IMDb Pro Database**
  - Subscription-based service for professionals
  - Most complete resource for people & companies
  - Limited functionality for scholarly use

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# Data Issues

- ES-202 data is monthly, so I chose
  - ▣ March data for annual estimates (similar to CBP), and
- IMDb Pro required manual searches and editing
  - ▣ Georgia productions include those with **any** GA locations
  - ▣ Still in progress for Georgia-based people and companies
- CBP doesn't match ES-202 data
  - ▣ Assumed similar proportionality

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# Selected NAICS for MP Industry

NAICS	Industry
5121	Includes:
512110	Motion Picture & Video Production
512120	Motion Picture & Video Distribution
51213	Motion Picture Exhibition*
512191	Teleproduction & Other Postproduction Services
512199	Other Motion Picture & Video Industries

\*Exhibition is often 50% or more of total employment in 5121, so it is removed when possible.

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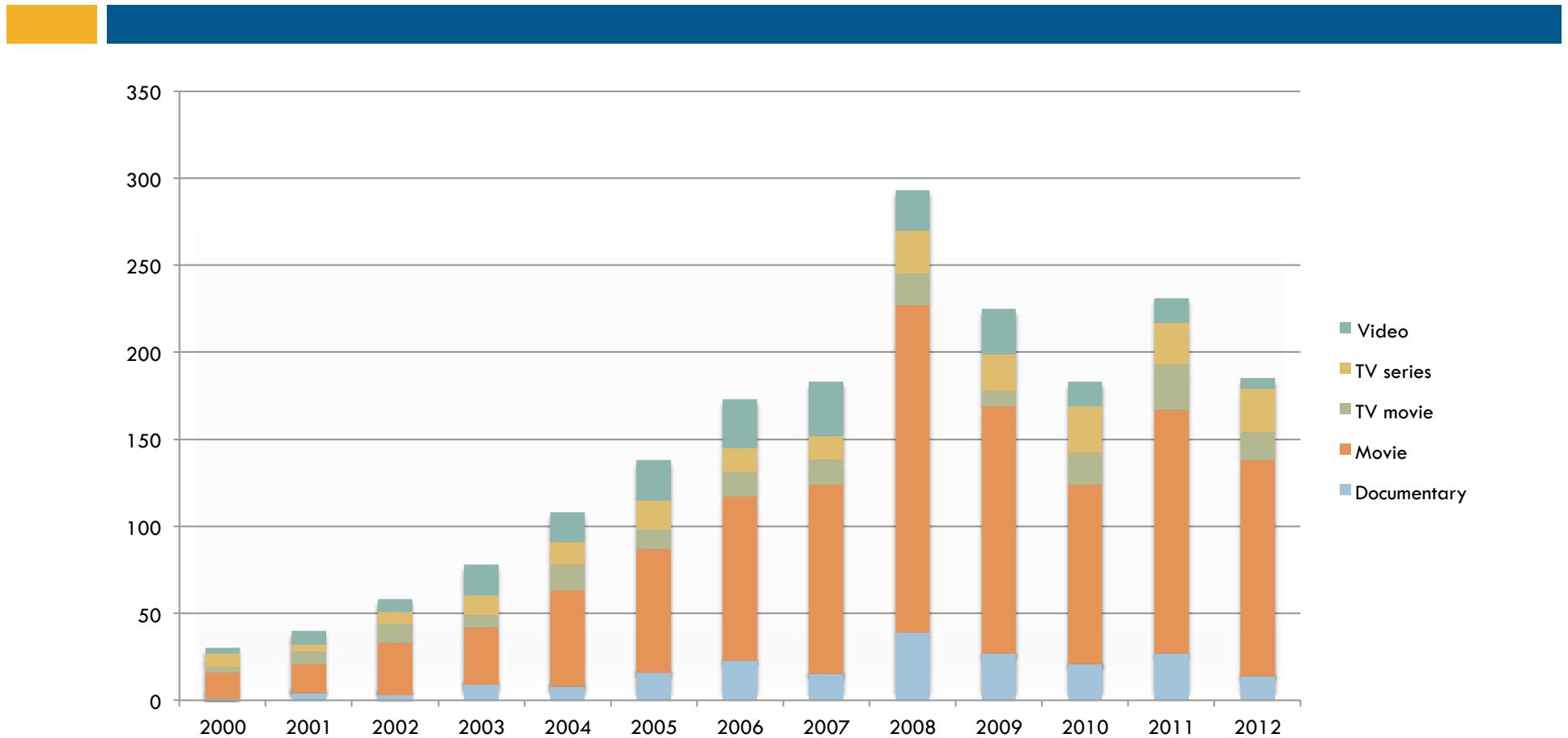


# Methodology

- Compared growth in
  - Number of productions
  - Industry employment and,
  - Establishments
- Includes data from 6 other filmmaking states as comparison

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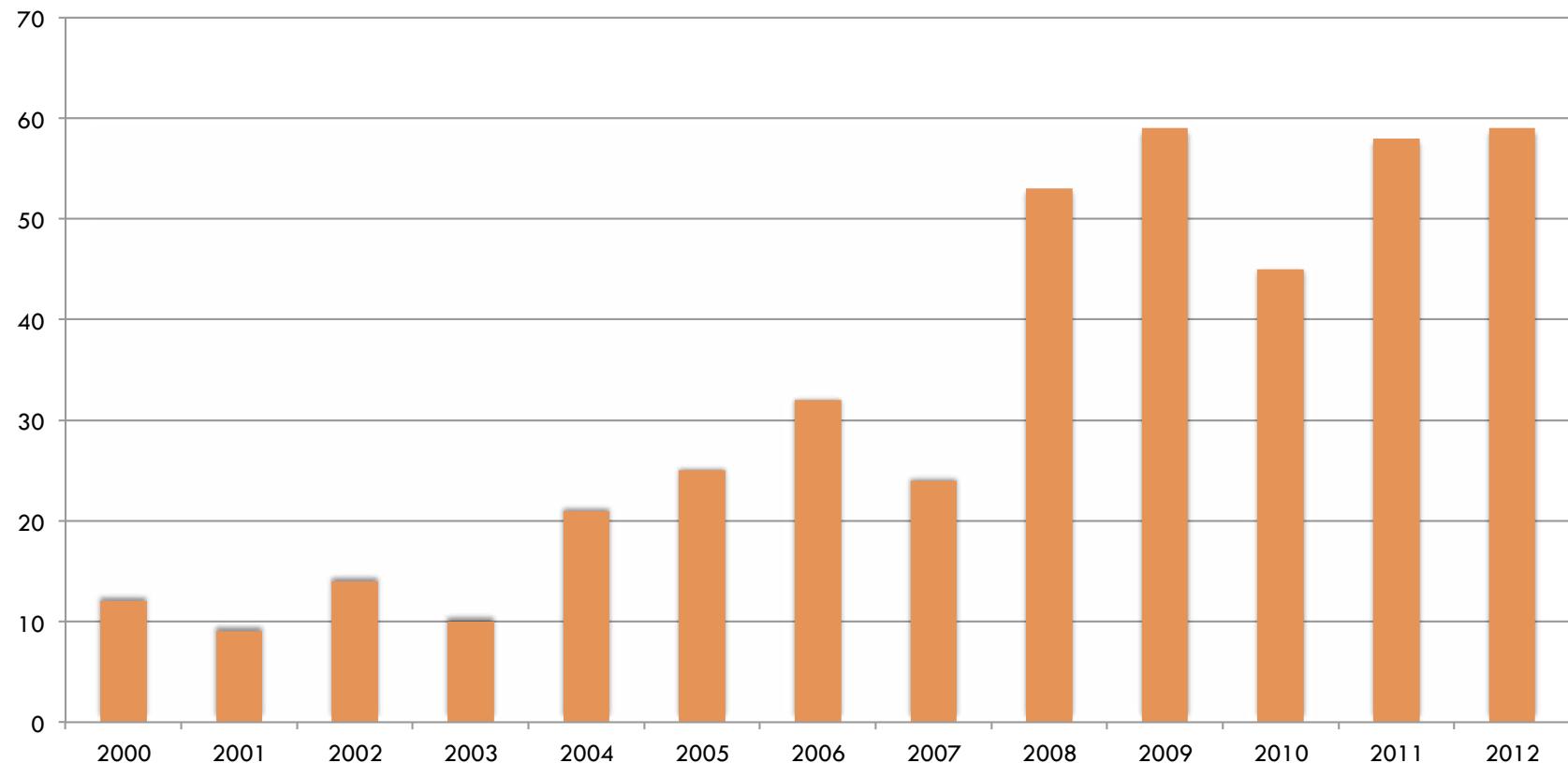
# Georgia Productions by Type



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# Georgia Feature Films Only



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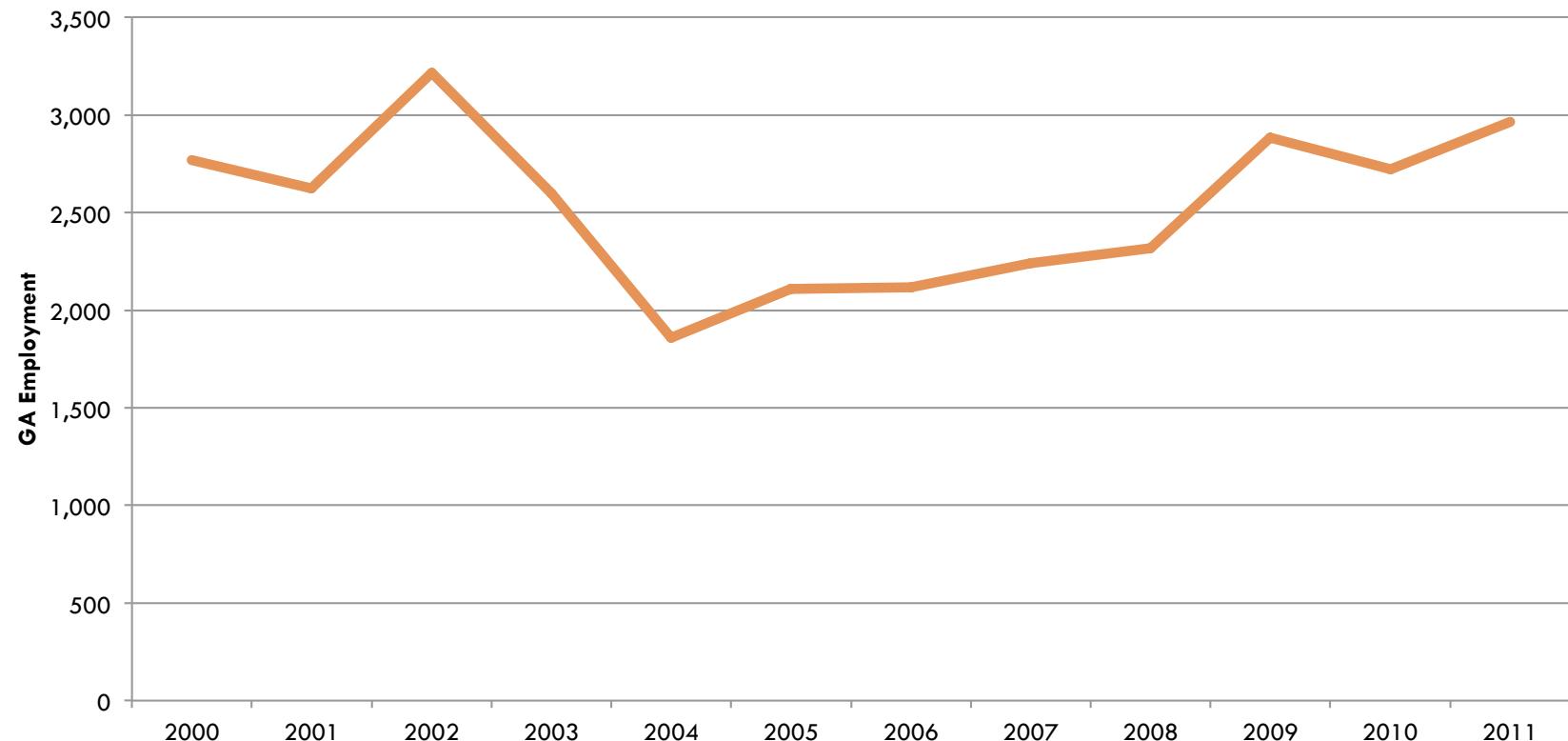


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# Georgia Film Employment

All Motion Picture and Video Employment

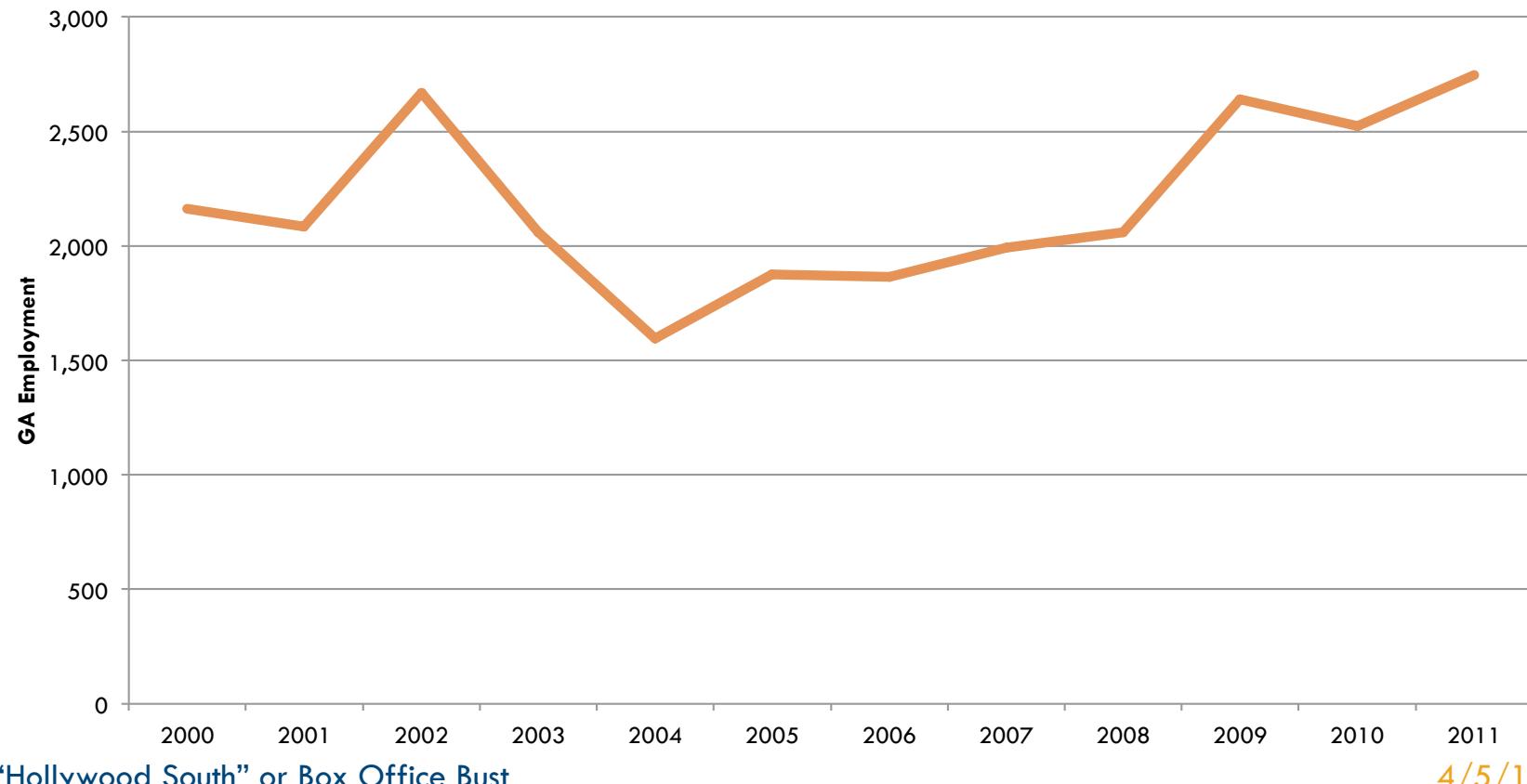


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# Georgia Film Production Employment

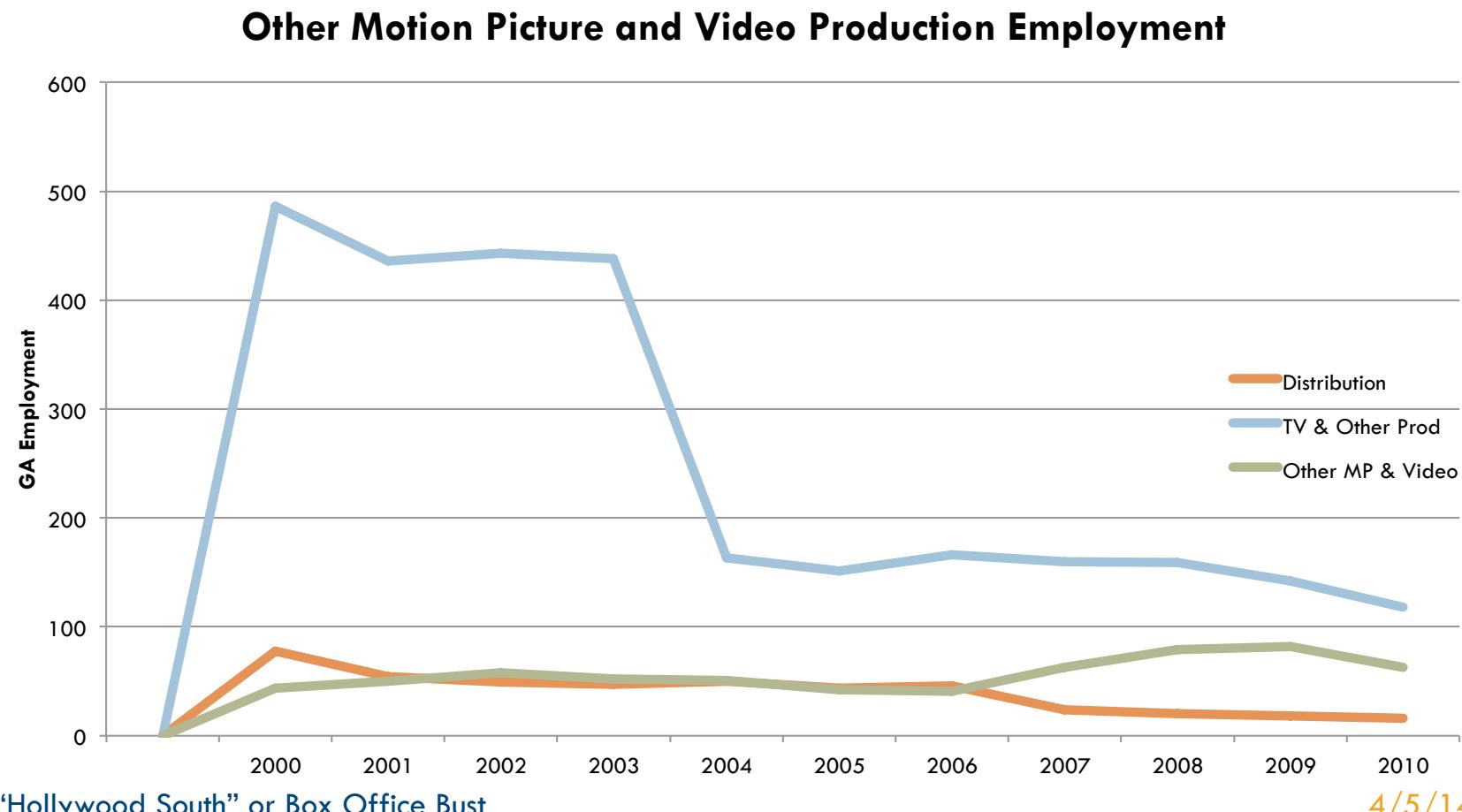
## Motion Picture and Video Production Employment



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# Other Film Production Employment



# Georgia Film Industry Job Growth

- Industry employment peaked in 2002
  - This is the year other states, most notably Louisiana, began offering tax incentives
- Steady growth since 2004
- The largest growth rates were in years of tax incentive packages being implemented (2005 and 2008)

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June 18-21, 2013

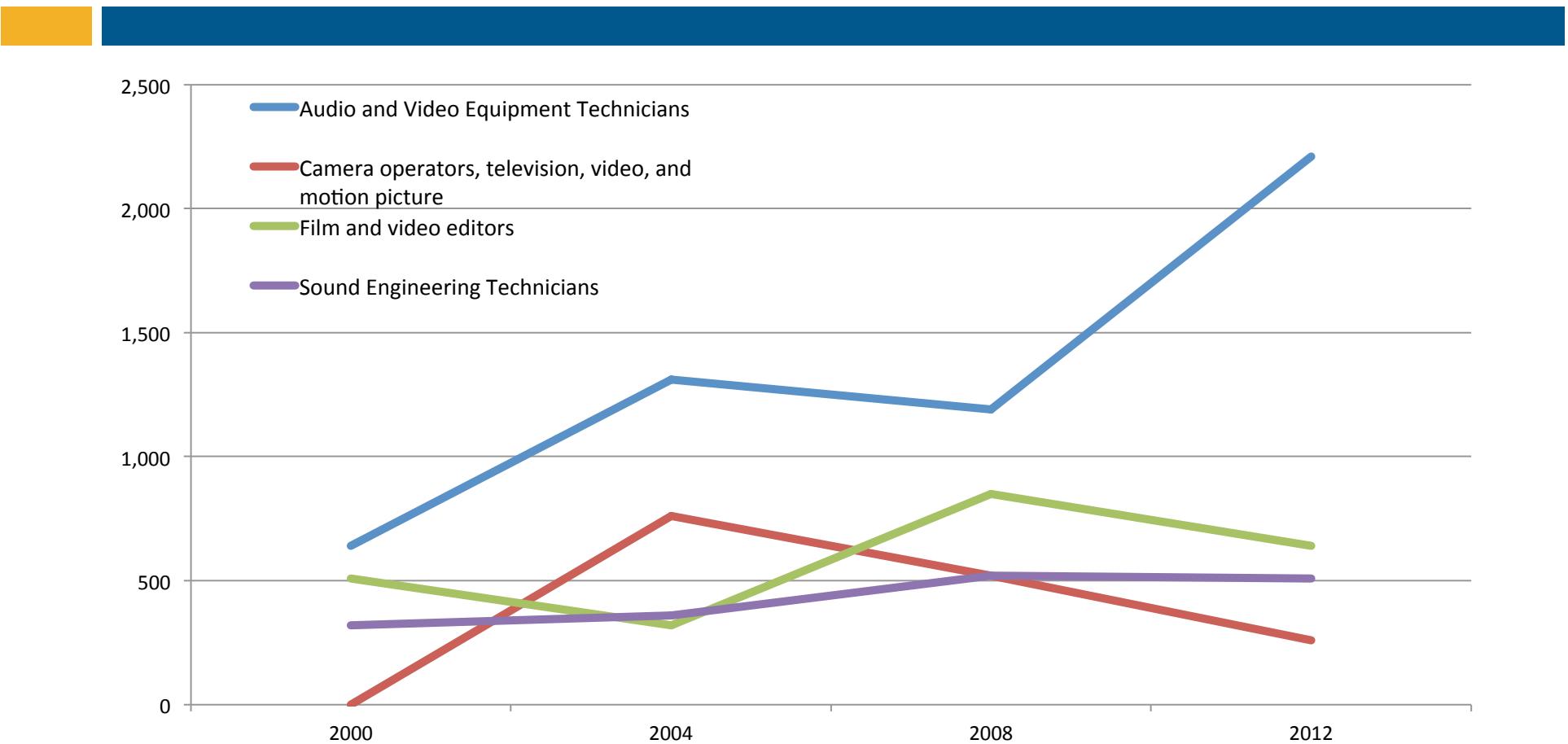
# Detailed Job Growth

- Production jobs have accounted for virtually all growth, & have surpassed the 2002 peak in 2011
- Teleproduction and Other Postproduction declined sharply in 2004, and has been flat since
- Distribution and other motion picture industries have been flat since 2000

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# Georgia Below-the-Line Occupations



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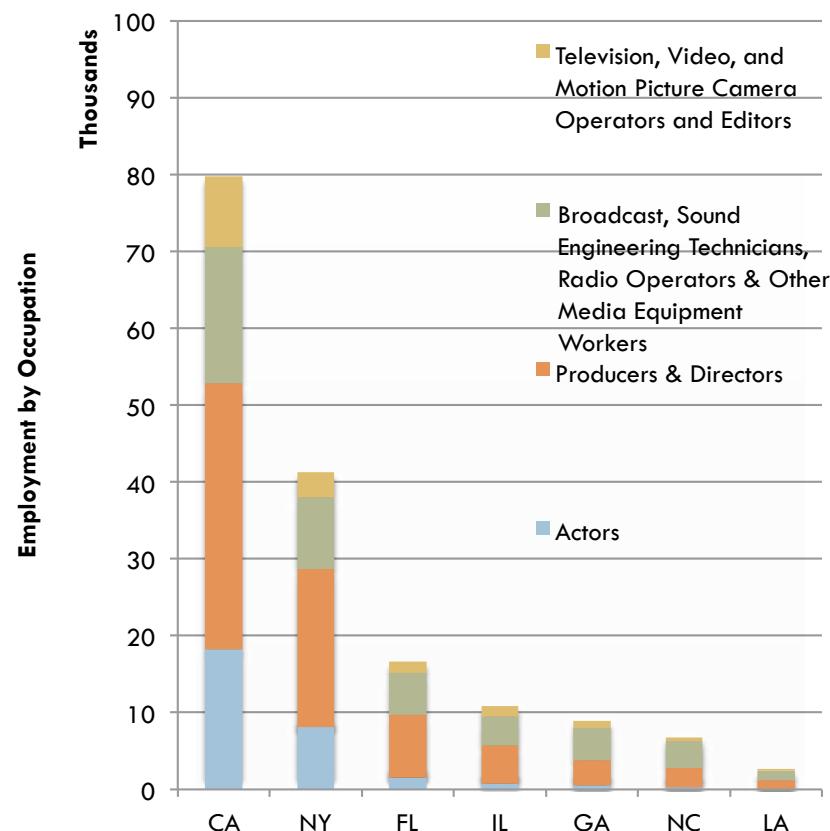


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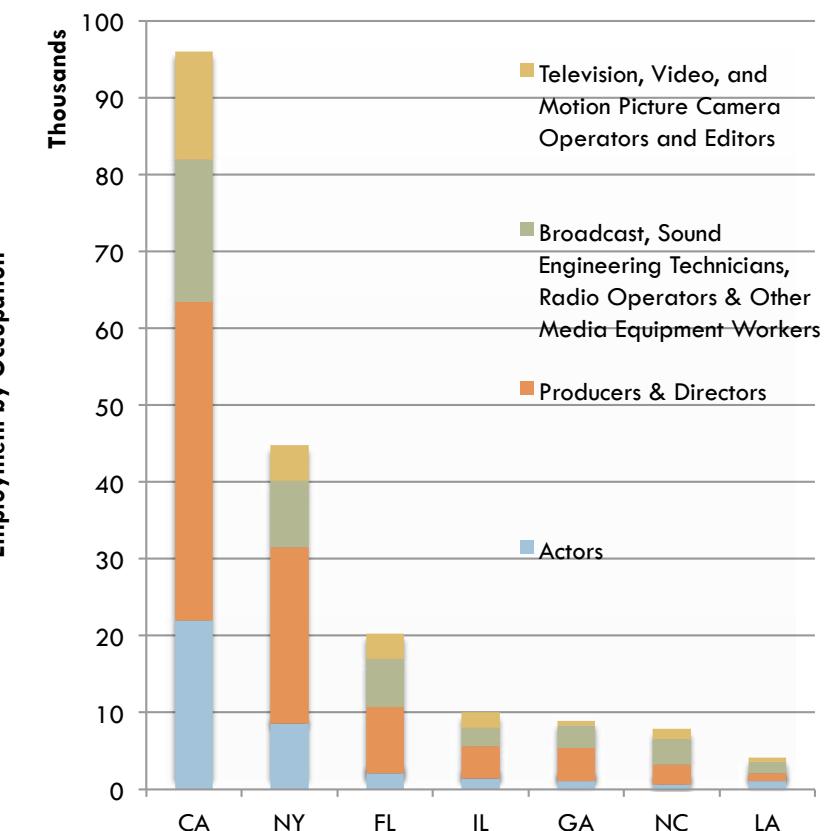
June 18-21, 2013



# US Select Film Occupations, 2000-2012

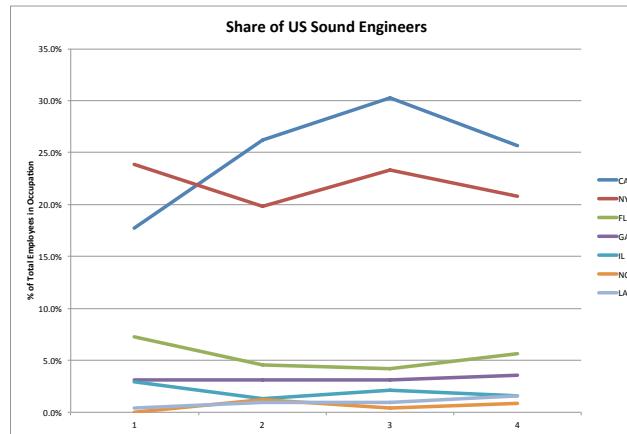
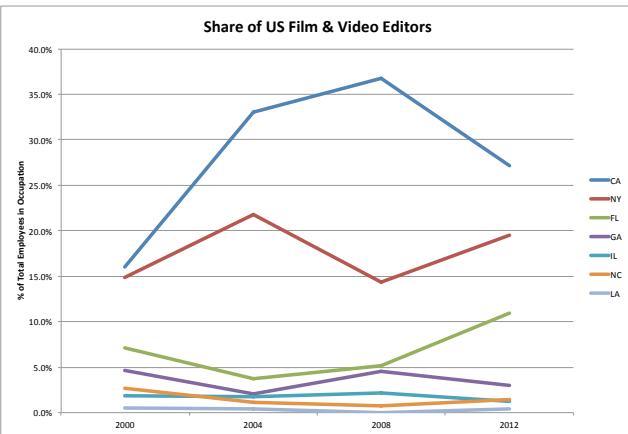
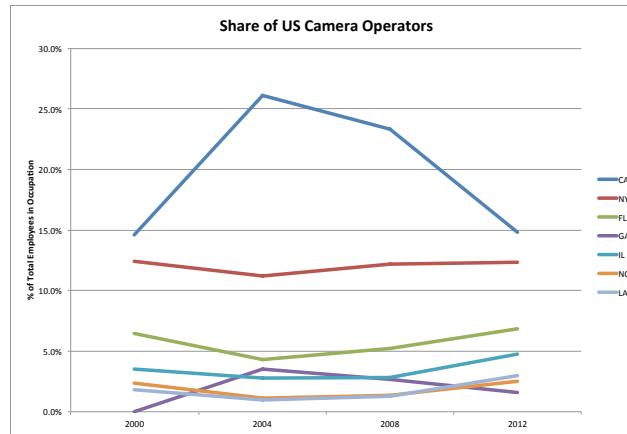
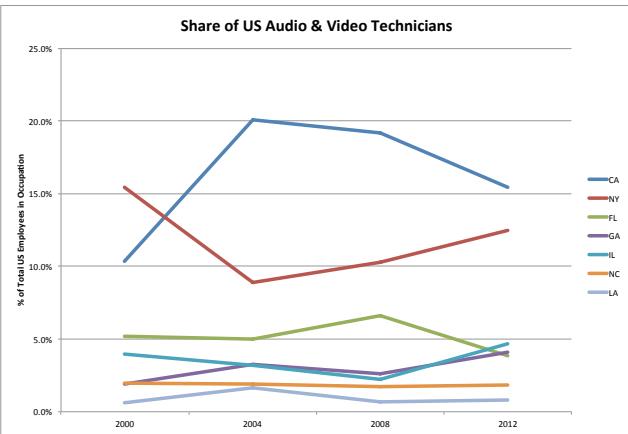


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June 18-21, 2013

# Share of US Below-the-Line Occupations, 2000-2012



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June 18-21, 2013

# Detailed Occupation Growth

- Overall net growth 2004-12 exceeded CA & US
  - GA Growth 31.6%
  - CA Growth **-7.5%**
  - US Growth 19.5%
- Only 1 occupation category showed real growth
  - Audio & Video Equipment Technicians
- Overall 4<sup>th</sup> or 5<sup>th</sup> in occupations & industry employment

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# Urban Nature of Film Employment

- Nationally (2007-2011)\*
  - 93.5% of total film employment in metros
    - 32.1% of total metro film employment in CC
    - 35.0% of total metro film employment in suburbs
    - 32.9% of total metro film employment unknown
  - 43.3% of total film employment in CC\*
- Georgia (2011)\*\*
  - Nearly 90% of GA film employment in 4 counties in the Atlanta MSA (87.4% in Fulton, Gwinnett, Cobb & DeKalb Counties)

\*Source: ACS 2007-11 Pooled Sample. Calculated for all film jobs with known locations

\*\*Source: Georgia ES-202 data (firm level). Does not include 51213 Film Exhibition employment

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# Top Metros for Film Employment

Rank	MSA	Total	Pct. CC	Suburbs	Pct.	% of Total	Cum. Pct.
					MP Emp		
1	Los Angeles-Long Beach	132,303	43.0%	30.0%	27.0%		27.0%
2	New York-Northeastern NJ	50,724	67.2%	31.2%	10.4%		37.4%
3	San Francisco-Oakland	14,771	27.1%	46.7%	3.0%		40.4%
4	Chicago, IL	12,704	45.3%	33.2%	2.6%		43.0%
5	Dallas-Fort Worth, TX	9,396	9.7%	35.6%	1.9%		44.9%
6	Washington, DC/MD/VA	8,836	22.0%	71.7%	1.8%		46.7%
7	Atlanta, GA	7,737	5.6%	73.7%	1.6%		48.3%
8	Riverside-San Bernardino	6,841	12.3%	55.1%	1.4%		49.7%
9	Boston, MA/NH	6,268	33.6%	54.5%	1.3%		51.0%
10	Philadelphia, PA/NJ	5,707	31.9%	67.1%	1.2%		52.1%

\*Source: ACS 2007-11 Pooled Sample. Calculated for all film jobs with known locations

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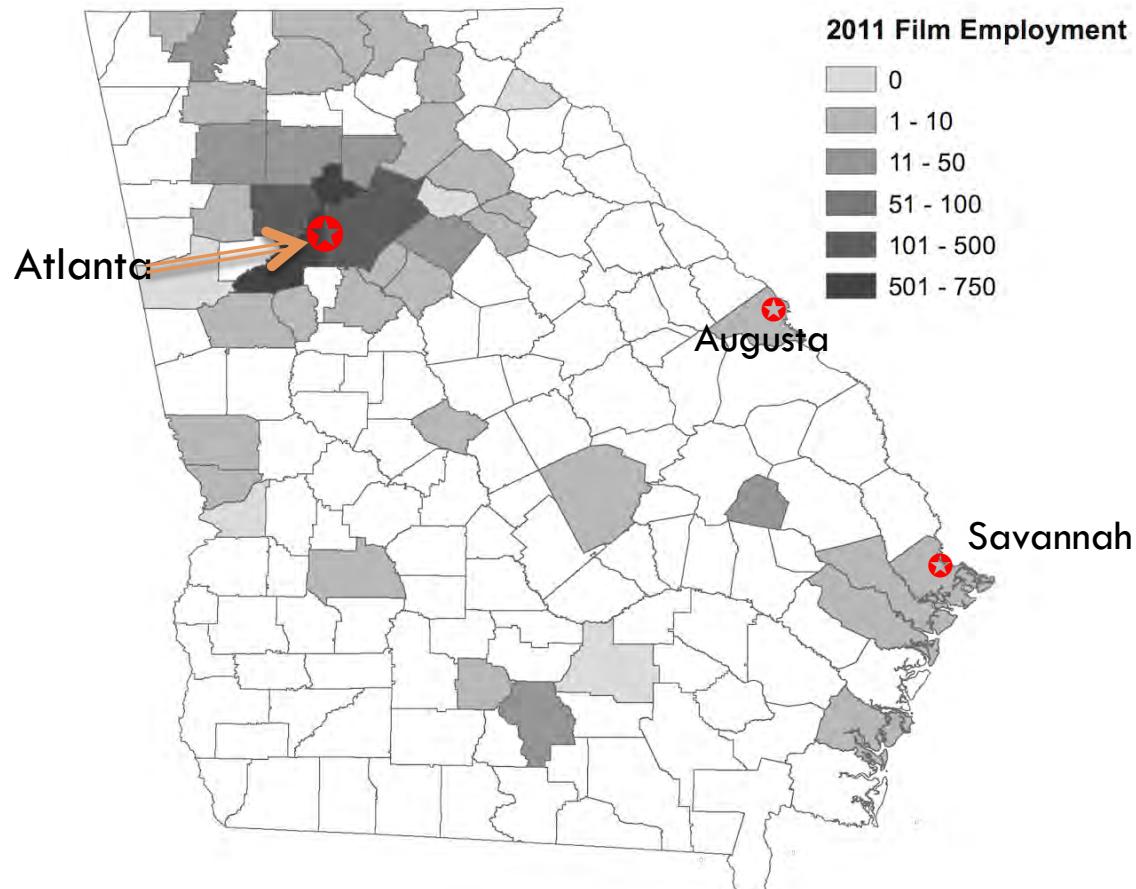
# Top Metros for Film Employment\*

- Over 1/2 of jobs in top 10 Metros (52.1%)
- Over 1/3 in top 2 Metros (LA & NY) (37.4%)
  - Los Angeles MSA 27.0%
  - New York MSA 10.4%

\*Data from ACS (individual, not firm-based)

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# Georgia Film Employment



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# Summary of Findings

- Competing tax incentives seem to have a great impact than in-state levels
- The employment effects of tax incentives taper off noticeably after the first year
- Feature films increasingly dominate the production levels
- The growth in film production does not equate to similar growth in local employment
- Occupations look better, but could be deceiving
  - Most film occupations are flat through 2012
- Film employment *is* urban employment

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# Conclusions

- Most descriptive data do not support hypotheses
- Benefits accrue mostly to states with existing industry
- Metros do better than states overall
- Lack of recent data may be a problem

Therefore...

- MPIs alone not likely to build self-sustaining local industry

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# Policy Implications

- Caution in using MPIs
- Learn lessons from other incentive programs
  - Better enforcement of programs
  - More targeted incentives
    - e.g., local hires, local producers, etc.
- Path dependency & cumulative causation important
- Importance of specialized infrastructure
  - CA and NY have some of the highest growth rates

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# Future Research

- Refine MPI data for states
- Look at post-recession data (esp. 2012 & 2013)
- More regression analysis to clarify effects
  - ▣ E.g., panel data for GA

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# For more information...

Ric Kolenda

[rkolenda1@gsu.edu](mailto:rkolenda1@gsu.edu)

[ric@gatech.edu](mailto:ric@gatech.edu)

<http://kolenda.com/web/research.html>

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