Film and the Creative Economy in Washington

A presentation to the Senate Committee on Business, Financial Services, and Trade

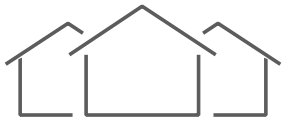
Lisa Brown

DIRECTOR

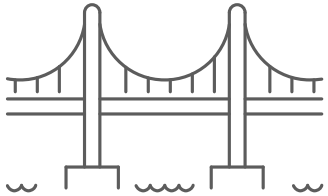
MARCH 25, 2021

Washington State Department of Commerce

We strengthen communities



HOUSING HOMELESSNESS



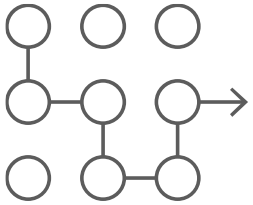
INFRASTRUCTURE



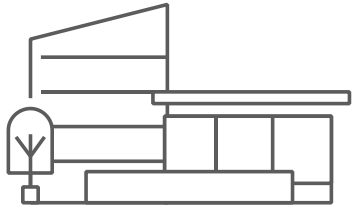
BUSINESS ASSISTANCE



ENERGY



PLANNING



COMMUNITY FACILITIES



CRIME VICTIMS & PUBLIC SAFETY



COMMUNITY SERVICES

Creative Economy

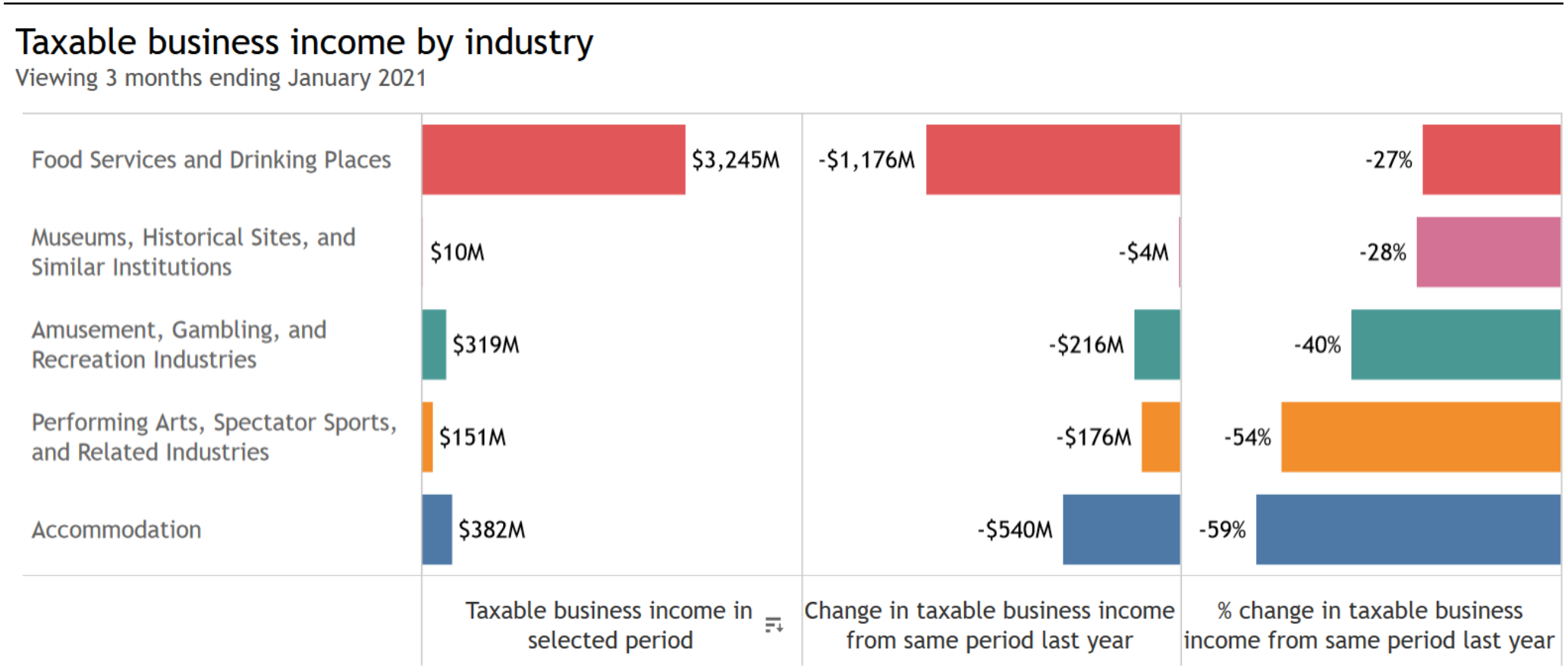
Definition of “creative economy” is evolving

- No single definition or set of NAICS codes
- The line between arts/entertainment and business/manufacturing is becoming blurred
- Gig workers predominate in the creative economy with relatively higher makeup of young and BIPOC workers
- The creative sector makes traditional sectors more competitive
- The creative sector makes communities more attractive in both urban and rural areas





The entertainment industry has been hit hard by pandemic



Motion Picture Competitiveness Program

The MPCP is funded through $3.5 million in annual tax credits

- Program managed by WA Filmworks
- Funds used for films, episodic series, and commercials
- Film industry is a microcosm of the creative economy

Since 2007, the program has

- Funded 126 projects
- Generated over $140 million in qualified expenses
- Created over ***24,200 jobs*** for in-state cast and crew

Only film incentive program in the country to require employers to provide ***health and retirement benefits***

- Important program for gig workers (65% of creative economy)

Episodic series provide best and most consistent work for gig workers

- From 2015-19, Washington produced on-going three episodic series that averaged ***2,214 jobs*** annually

Three Busy Debras



- All women leadership team of executive producers, writers, directors and stars
- Filmed in Puget Sound
- Created 60 jobs per episode
- Averaged 543K views per episode
- Renewed for 2nd season
- Average salary $48K/hr

Z Nation



- Ran for five seasons
- Filmed in Spokane area
- 3 of 5 lead actors from WA state
- Spent money in 575 unique businesses
- Created 138 jobs per episode
- Season 5 average salary $34/hour

The entertainment landscape is changing

Global video streaming market expect to reach ***$102 billion*** by 2023

- Up from $40 billion in 2018
- Tied to growth of smart phones

Video streaming subscriptions growing rapidly

- 61% households subscribe to 2 or more services
- 45% 3 or more
- 31% four or more

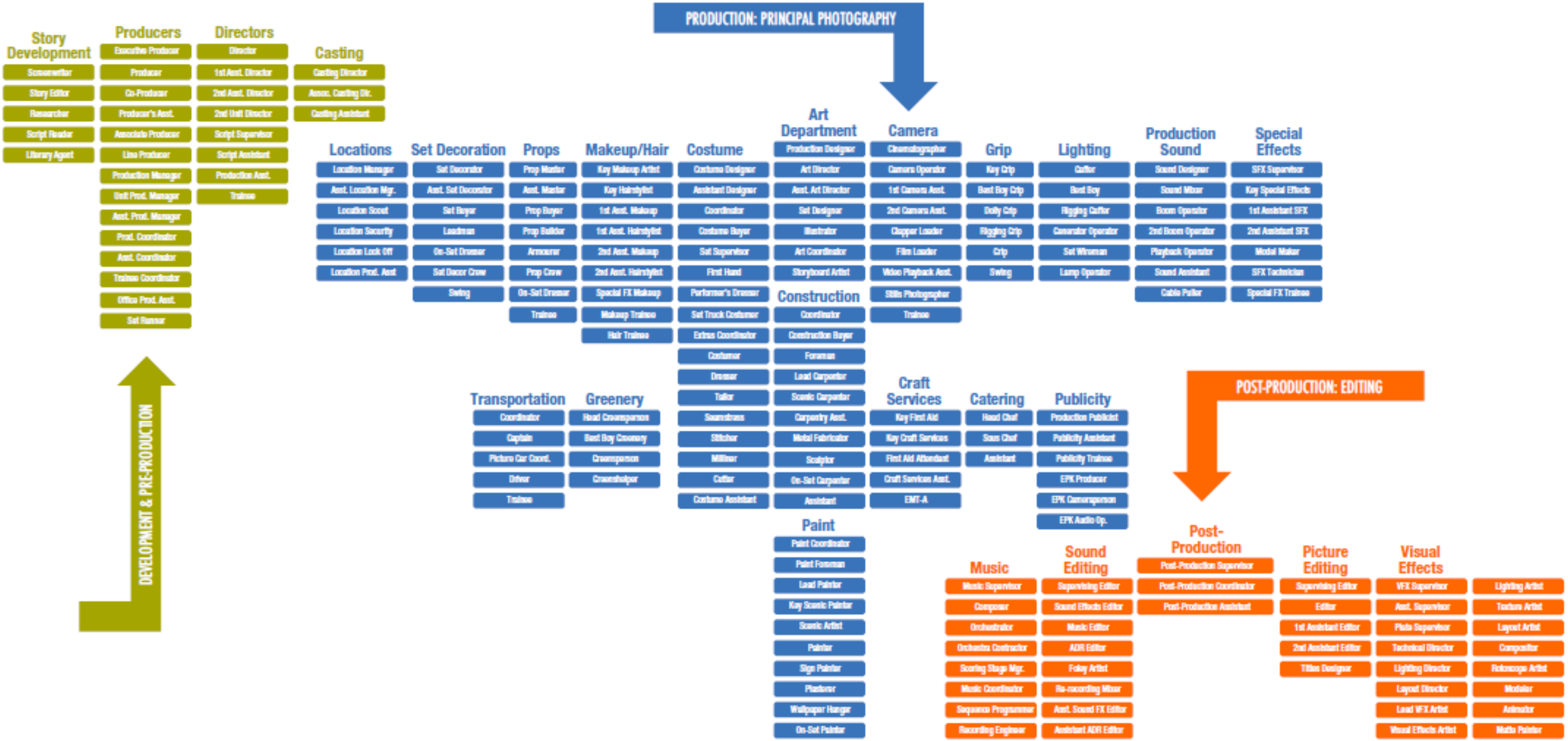
A national and regional perspective

At $3.5 million per year, Washington's film incentive program is the ***third smallest*** in the country

Washington's program significantly trails our neighbors:

- California - $330 million
- Oregon - $14 million
- Montana - $10 million, and
- British Columbia – No cap, annual expenditures are similar to California

The Anatomy of a Film Production



Incentives drive broader state film ecosystem

Oregon

- 4 crews
- 2 sound stages, 20 post production companies
- Bill introduced to raise tax credit to $20 million per year

Montana

- 4 crews
- 1 sound studio, 29 post production companies

Washington

- 2.5 Crews
- 0 soundstages, 13 post-production companies

Strategies for expanding the film ecosystem and the creative sector

Increase film incentive

- Create ***year-round*** demand for production and post-production facilities
- Expand programs to develop and advance a BIPOC talent pipeline

Incentivize targeted regional investments

- Provide tools to attract capital (e.g., multi-set sound stages, regional cultural and creative infrastructure)
- Invest in and build on Arts WA creative districts
- Establish a creative economy sector lead

Build regional workforce for creative economy

- Leverage work of Guided Pathways and Career Connect WA to build creative pipeline, especially for rural and underserved communities

Washington State Department of Commerce

www.commerce.wa.gov

Thank you

Lisa Brown
DIRECTOR, DEPARTMENT OF COMMERCE

Lisa.Brown@commerce.wa.gov