



FLORIDA'S FILM, TV & DIGITAL MEDIA INDUSTRY, A SOLUTION TO REVITALIZING FLORIDA'S ECONOMY

The Film & Entertainment Industry in Florida- Statewide Economic and Fiscal Impact

The Film and Entertainment Industry is important to the Florida economy as a major driver of employment and personal income, attracting revenue from other states and countries to be spent locally on wages and film production services. When a major studio shoots a big budget film on location it can inject, according to the Motion Picture Association of America (MPAA), as much as \$225,000 per day into the location's economy.

The Florida Film & Entertainment Industry:

- Forecasted to grow faster than other targeted industry clusters within the state of Florida.
- Estimated economic impact grew from nearly \$27 billion in 2003 to \$29 billion in 2007.
- Currently responsible for over 207,000 jobs in the state, a 3.7% increase from 2003.
- Generates nearly \$500,000,000 in tax revenues annually, up an estimated 5.5% from 2003.

SOURCE: The Film & Entertainment Industry in FL. Statewide Economic & Fiscal Impact. Haas Center for Business Research & Economic Dev, 2008

Florida Incentive Chart-Year by Year

The Florida Entertainment Industry Financial Incentive Program is in its fifth year. It has been very successful in attracting hundreds of millions of dollars of new spending to Florida, even though it is the most fiscally conservative major film incentive program offered in the United States.

<u>YEAR</u>	<u>INCENTIVE REBATED</u>	<u>SPENDING CREATED</u>	<u># OF PRODUCTIONS CREATED</u>	<u>WAGES CREATED</u>	<u>HOTEL ROOM NIGHTS</u>	<u>ROI TO FLORIDIANS</u>
04/05	\$2,405,316	\$16,467,848	4	\$9,123,199	5,382	6.85:1
05/06	\$5,648,898	\$39,419,261	15	\$20,629,218	13,632	7:1
06/07	\$8,055,516	\$58,823,460	22	\$34,466,039	16,800	7.3:1
07/08	\$18,507,797	\$123,520,858	53	\$75,303,983	35,002	6.7:1
08/09	\$5,000,000	TBD	TBD	TBD	TBD	TBD

- Consistently every year, approximately seven dollars were spent in Florida, paid to a Florida worker or business, **BEFORE** one dollar was rebated.
- In 4 years, the Industry Incentive created almost \$250,000,000 in new production spending in Florida.
- About \$130,000,000 went to Florida resident workers as wages.
- Another \$120,000,000 was paid to a wide range of Florida businesses —local florists, hardware stores, office supply stores, caterers, grocery stores, hotels, rental car companies, post production houses and many more.
- Every year the incentive increased in funding, the productions coming to Florida increased dramatically. Productions come to the state quickly when incentive funds are available.

SOURCE: The Governor's Office of Film and Entertainment

Economic Impact Of Motion Picture & TV Production Industry On The United States

- Over 1.3 million U.S. jobs created
- \$30 billion paid in U.S. wages
- \$30 billion direct payment to U.S. vendors for goods and services
- \$10 billion in income taxes paid by industry workers & sales taxes on goods and services

FLORIDA CAN TAKE A BIGGER SHARE OF THAT BUSINESS, BRINGING HUNDREDS OF MILLIONS OF NEW DOLLARS TO THE STATE'S ECONOMY QUICKLY, SIMPLY BY PROVIDING A COMPETITIVE INCENTIVE TO ATTRACT FILM, VIDEO, DIGITAL MEDIA PROJECTS HERE.

SOURCE: MPAA 2006 Report: The Economic Impact of the Motion Picture & Television Production Industry on the United States.

The Competition

Unfortunately, while Florida's incentive appropriation decreased by 80% for FY 2008-2009 (\$25 Million to \$5 Million), our competitors for the film and entertainment industry enhanced their entertainment incentives to capitalize on them as tools for accelerating economic growth. We are losing productions daily to those other states.

STATE	CASH OR TAX CREDIT	%	TOTAL FUNDING
Florida	Cash Rebate	15 – 22%	\$5 Million
New York	Refundable Tax Credit	30 %	\$75 Million
Michigan	Refundable Tax Credit Non-Resident Crew Core Community & NBSP	40% 30% 2%	\$100 Million
New Mexico	Refundable Tax Credit & No-interest Prod. Loans	25%	UNLIMITED
Connecticut	Transferable Tax Credit	30%	UNLIMITED
Louisiana	Investor Tax Credit; LA Employment Tax Credit; Digital Media Tax Credit; Infrastructure Tax Credit	25% 10% 15% 40%	UNLIMITED

- Other states offering competitive incentives include NC (15%), MS (20-25%), TN (13-17%), SC (20-30%), AZ (30%), PA (25%), HI (20%), IA (25%), MD (25%), MN (15%), IL (20%) and more.
- All other states offer and benefit from **TAX CREDITS** except for two who offer cash rebates: FL & SC.

Helping Our Schools & Graduates

- Florida is the 3rd largest state for number of film & digital media schools and graduates, spread across all regions of the state from the University of Miami to Florida State University, with high rankings nationwide and production award-winning talent in their fields.
- Schools like Full Sail, University of Central Florida in Orlando, and Ringling College of Art and Design in Sarasota are leading the way into the new frontiers of digital media, including filmmaking, video games, military and flight simulation and biotech.
- Florida's Prepaid College Plan subsidizes many of our film and media students. However, if we don't create jobs here for them when they graduate, they become the new workforce for other states that aggressively attract the film and digital media industry with their incentives.

Other Benefits & Considerations

- Offers high-wage jobs. According to the Quarterly Census of Employment and Wages, the average salary for the film & entertainment industry in 2007 was \$57,700 in Florida.
- Provides high-tech and high-value jobs, demonstrating strong growth globally.
- Productions often boost tourism by marketing Florida to the world at no cost to the state.
- Unlike other states, Florida already has a deep crew base of workers – BUT we are losing them to states offering aggressive incentives. We can't afford to lose these high-wage, high-value jobs.
- Florida's is a growing production destination for non-domestic producers (European, Latin American, etc.) due in part to the weak dollar and the popularity of American cultural productions.
- Florida's commitment to competitive incentives can result in relocation and construction of brick-and-mortar businesses, including major production facilities.

The Future Is Now

- With a projected employment growth rate of 20%, Florida's film and digital media industry is projected to grow faster than the Biomedical/Biotechnical cluster (19%) and the Defense and Security Cluster (18%).
- The US movie and home entertainment business, according to Standard and Poor's, is experiencing sustained growth due to expanding audiences, pipelines and contents.
- A film production and post production cluster would likely attract more films and lead to a significant, long-term economic impact on the Florida economy.

SOURCE: *The Film & Entertainment Industry in FL. Statewide Economic & Fiscal Impact.* Haas Center for Business Research & Economic Dev, 2008.

LET FLORIDA'S FILM, TV & DIGITAL MEDIA INDUSTRIES BE A PART OF THE SOLUTION IN HELPING TO IMPROVE FLORIDA'S ECONOMY