



# **The Media and Entertainment Industry in NYC: Trends and Recommendations for the Future**

October, 2015

THE BOSTON CONSULTING GROUP

# Introduction

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**The media and entertainment industry is an important contributor to New York City's economy, providing high quality jobs which out-performed the US economy through the financial downturn.**

**Since our last report in 2012 the industry in New York City has seen a period of steady growth, particularly in sub sectors like scripted TV series which offer long-term and predictable employment.**

**This report, completed in April 2015, serves as an update to our 2012 publication. The report analyzes the development and growth of NYC media in the period 2012 through 2014, by once again examining different subsectors and identifying the latest trends that have shaped and will continue to shape NYC's media and digital media sectors.**

**Since its establishment in 1966, the Mayor's Office of Media and Entertainment (MOME), through its Office of Film, Theatre and Broadcasting (MOFTB) has served New York City's media and entertainment industry – issuing permits, coordinating services and deploying the "Made in NY" logo and marketing campaign for qualifying productions. Under the new mayoral administration, MOME maintains its strong commitment to fostering the Media and Entertainment industry, ensuring its services evolve to address the latest needs of companies and workers living, working and operating within the city.**

# Executive summary (I)

## Continued growth of filmed entertainment industry in NYC driven by strong expansion in scripted television

- NYC has benefited from this trend, with FTE (full time equivalent) employment growth of 3.1% per year 2011-14, from 94K to 104K FTEs, and production spending growth of 6.4% per year, reaching \$8.7 billion in '14
- Total number of New Yorkers employed in filmed entertainment has held stable at ~130K, with crews increasingly able to work year-round on productions, building sustainable and predictable careers

## TV is a standout success story, with 14.8% annualized FTE growth and 17.0% annualized spending increase

- Widespread adoption of new TV viewing platforms has intensified competition for TV audiences
- More networks now commissioning original TV content, including pre-existing cable networks (Bravo, Starz, AMC) as well as new online players (Netflix, Hulu, Amazon)
- New series typically 8-12 episodes (vs. traditional 20+ for broadcast), with increasing turnover of shows – proactive approach to attracting new pilots and shows will be important to maintain a strong pipeline of projects
- 2011-2014 saw a decline in head office FTEs for cable and broadcast of 3.7% and 0.8% respectively, as support functions are consolidated and moved out of NYC, and companies re-orient toward digital / data-centric talent
- In addition to production FTEs/spend, live TV filming estimated to generate ~\$45M in tourism spend each year

## Movie production in NYC much more variable, as a result of dollars being concentrated in 'tentpole'<sup>1</sup> films

- Fewer but larger major studio movies produced each year in the US<sup>2</sup>, causing variability in NYC movie production
- Decision to locate a production in NYC driven by a broad range of factors including: Script, cost, preference of key talent, availability of stage, and potential complexities associated with filming desired action sequences and stunts
- Increasing fluidity between TV and movie production jobs helps buffer the workforce from this variability

1. A "tentpole" production is a movie or television show that supports the financial performance of a movie studio or television network 2. e.g., looking at the top 100 grossing movies each year '11-'14 vs. '01-'04, we see a 16% decline in the total number of movies released by the major studios and their subsidiaries, with a 33% decline in movies with budgets <100m

# Executive summary (II)

**NYC is one of only three cities in the world (along with LA, London) with a filming community large enough to enable a production to be made without needing any roles to be brought in from outside – cast, ATL or BTL<sup>1</sup>**

- In addition to mainstream productions, NYC also home to a thriving indie movie scene, and the largest concentration of documentary production in the US

## **Other media and entertainment in NYC**

- Theatre in NYC has seen a steady upward trend in employment (2.1% annual growth), and strong growth in revenues (up 5.5% per year '11 to '14) due to diversification of audiences and shows, and cross pollination of stories and acting talent from TV and film
- Publishing FTEs (full time equivalents) stabilizing, with 0.4% annualized growth from '11 to '14. Revenues grew 2.2% per year in the same period, due to digital circulation, pricing, and investments in online content e.g., video
- NYC ad agencies capturing strong growth as their industry consolidates, shifts to digital, with FTEs growing at 5.3% per year, and revenues rising at 11.8% per year from '11 to '14

## **New media: Digital media and entertainment in NYC, and venture capital funding**

- 2014 was a blockbuster year for funding of digital media and entertainment in NYC, with ~\$1.5B of capital invested
- Job growth also driven by expansion of NY offices of big-tech players: Facebook, Twitter, and Google all have a substantial Sales and Marketing presence in NYC, as well as growing Engineering teams.

## **In aggregate, the Media and Entertainment sector remains a highly significant source of revenues and employment for NYC**

- Employs ~290k FTEs in total, and outperformed overall NYC and US economies through the financial crisis
- Industry across the US is increasingly aware of challenges of diversity, with stakeholders taking steps to address the issue. But there remains much room for improvement, and an ongoing dialog on the topic will be critical in ensuing commitments translate into outcomes

ATL = above the line, "creative" cast and crew; BTL = below the line crew

# Defining boundaries of the Media and Entertainment sector

Sub-sectors in-scope for NYC market sizing and trends assessment

## Film and TV



### Filmed entertainment

Includes commercials, TV shows and films. News included under broadcasting and cable



### Broadcasting and Cable

Includes all TV stations, TV networks, cable networks, radio stations and satellite. *Does not include cable distribution*



### TV tourism<sup>1</sup>

Includes tourism specifically driven by TV show tapings

## Other traditional media



### Advertising/PR

Includes agencies (advertising, media buying, public relations, promotion, digital and direct marketing)



### Publishing

Includes books, newspaper, magazines, news services (AP, Thomson, Bloomberg)



### Theatre<sup>2</sup>

Includes Broadway, other theatre

## New media



### Digital

Includes digital media and entertainment companies, social media, and internet publishing, both established and start-ups

*Digital arms of traditional media not included*



### Media/tech VC and incubators

Includes VCs that invest in digital media and have a presence in NY

## Out-of-scope

### Music

#### Live events

- Concerts
- Sports

### Associated subsectors realizing second-order economic impacts

*Included in employment, not separately analyzed*

Key changes since 2012 report: Inclusion of tourism and theatre. Refocusing of digital section on media and entertainment only

1. Based on survey of TV show taping attendees. Includes only tourists citing taping as deciding or important reason to visit NYC. 2. Economic impact as estimated by The Broadway League.

# Agenda

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## 1 The TV and movie industry

- Economic impact in NYC
- Television:
  - National trends
  - Productions in NYC
  - NYC tourism
- Movies:
  - National trends
  - Productions in NYC
  - NYC indie scene and documentaries
- NYC talent

## 2 Other Media and Entertainment in NYC

- Theatre, Publishing, Advertising/PR agencies

## 3 New media in NYC: Digital media and entertainment companies and funding

## 4 Total economic impact of Media and Entertainment in NYC

- Diversity in the US media industry

## 5 Positioning NYC for the future

# Multiple reasons productions choose to film in NYC

Relative importance of each factor varies by production

## Story

**NYC often explicitly featured in stories:**

- Iconic US urban environment, skyline
- Rich real-life history
- A 'walking city', lends itself to coincidence, storytelling
- Center of literature, journalism – concentration of storytellers

## Talent

**Lead actor/director based in NYC, prefer to film locally, e.g.:**

- Madam Secretary
- The Good Wife
- The Blacklist
- Unbreakable Kimmy Schmidt

## Crew base, infrastructure

- NYC has quality crew and stage capacity to support a great many projects per year – e.g., the city readily hosted 46 TV shows in '14

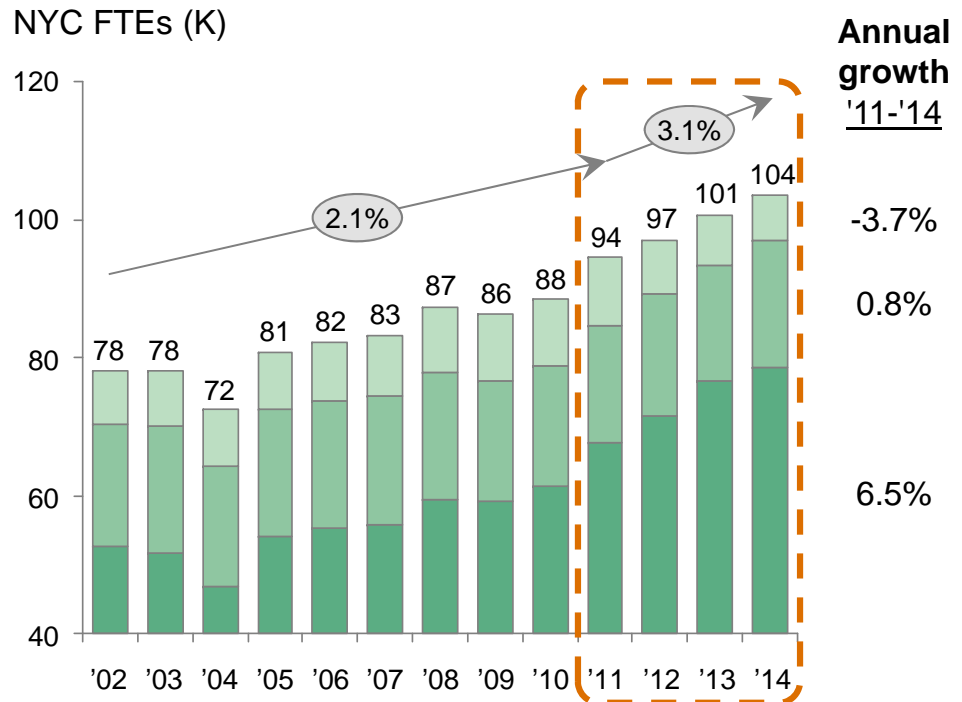
## State tax credit

**Enables NYC to be cost competitive with other locations, especially factoring in other savings:**

- Little/no need to fly talent to NYC
- Wide range of 'looks' may avoid relocation costs


# NYC filmed production industry has seen FTE growth from 94K to 104K since 2011, bringing dependable year-round employment

## Filmed production work in terms of FTEs (full-time equivalents) continues to grow



**Example companies:**

Cable networks <sup>2</sup>	CNN	Bravo	FOX NEWS Channel	COMEDY CENTRAL
Broadcasting <sup>2</sup>	4 NEW YORK	WCBS-TV NEW YORK	THIRTEEN	
Filmed entertainment <sup>1</sup>	Bravo	STEINER STUDIOS	AMC NETWORKS	TIMES SQUARE STUDIOS LTD

} HQ and news FTEs only   
 → Incl. content for broadcast/cable

## Growth concentrated in TV

### Strong growth in filmed entertainment (production), driven by scripted TV

- TV exhibiting consistent growth since 2011 renewal of tax credit; growth expected to continue through next ~5 years
- Crews increasingly able to work all year on productions. Total # employed is stable at ~130K, but utilization has strongly increased<sup>1</sup>
- Film has been more variable: Strong in 2012 and 2013, with drop in 2014 as fewer blockbusters shot in NYC

### At the corporate level there has been some streamlining of non-creative jobs

- Dip in head-office and news jobs at cable networks (e.g., due to backoffice consolidation/offshoring of some roles)
- Broadcast holding relatively stable, at 0.8% annual growth

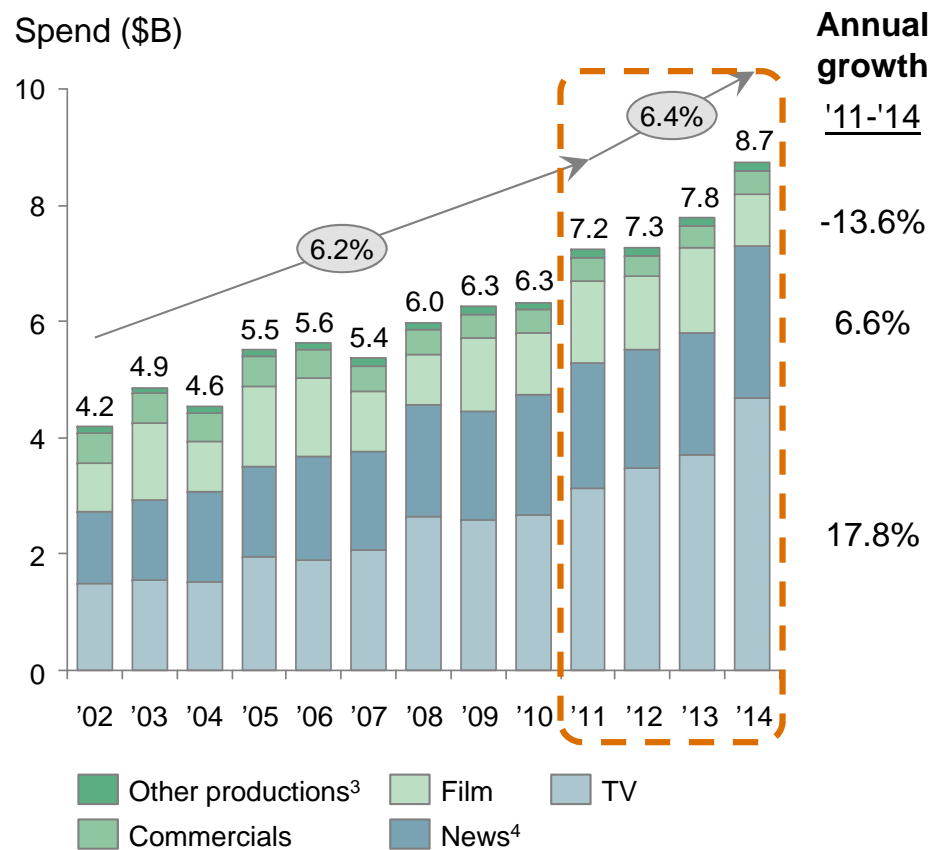
1. Many people in the filmed entertainment industry are short-term employees. 130K total represents 104K FTE jobs, based on latest view of production and employment trends 2. Employees engaged primarily in producing taped content are captured under "filmed entertainment". 3. Note that for Filmed Entertainment includes both core production and production relates activities. Source: BLS data, BCG analysis for filmed entertainment. Note: Tax credit introduced 2005; expanded 2008; extended in 2011 through 2019.



# NYC filmed production spending has increased 6.4% per year since 2011, reaching a total of \$8.7B in 2014

## Filmed production industry spend in NYC also on the rise

## Largely due to increased production, not cost rises



### As with growth in FTE (full time equivalent) employment, spending growth driven by TV

- Proliferation of networks commissioning scripted content (2 in 2002, 18 in 2014), as new platforms fuel competition for audience
- Unscripted has also grown rapidly since mid-2000s due to reality TV

### Decline in spend for commercials

- Shift toward fewer, high-value productions, with remainder increasingly made in house by advertiser

### NY state tax credit remains a key enabler for production in NYC

- Prior to incentive, productions would film elsewhere, only visit NYC for "beauty shots"
- Post-production credit has attracted projects where primary filming was outside NY state

### Stakeholder interviews suggest 2-3% annual cost inflation across production types

# Nationwide, we see strong shifts in filmed entertainment toward scripted television series

## Multiple changes in how viewers experience TV

Content & channel fragmentation



Connected TVs



Place shifting



Multi-screening



Time shifting



Interactive/personalized content



## TV networks competing for audience by investing in high quality scripted content

"There's a drive for content because of the **cable and internet platforms** that didn't exist before"

- TV studio executive

"We've learned that... a [Netflix] viewer is going to watch, on average, **2½ episodes a night**"

- Cindy Holland, VP of Original Programming, Netflix<sup>1</sup>

"The quality of TV has increased tremendously because the **content for mid-budget films is now on TV**; that's where the audience has gone"

- Film studio executive

"With so much high-end scripted content, **talent is flowing freely between film and TV**... no longer segmented between the two"

- Film location manager

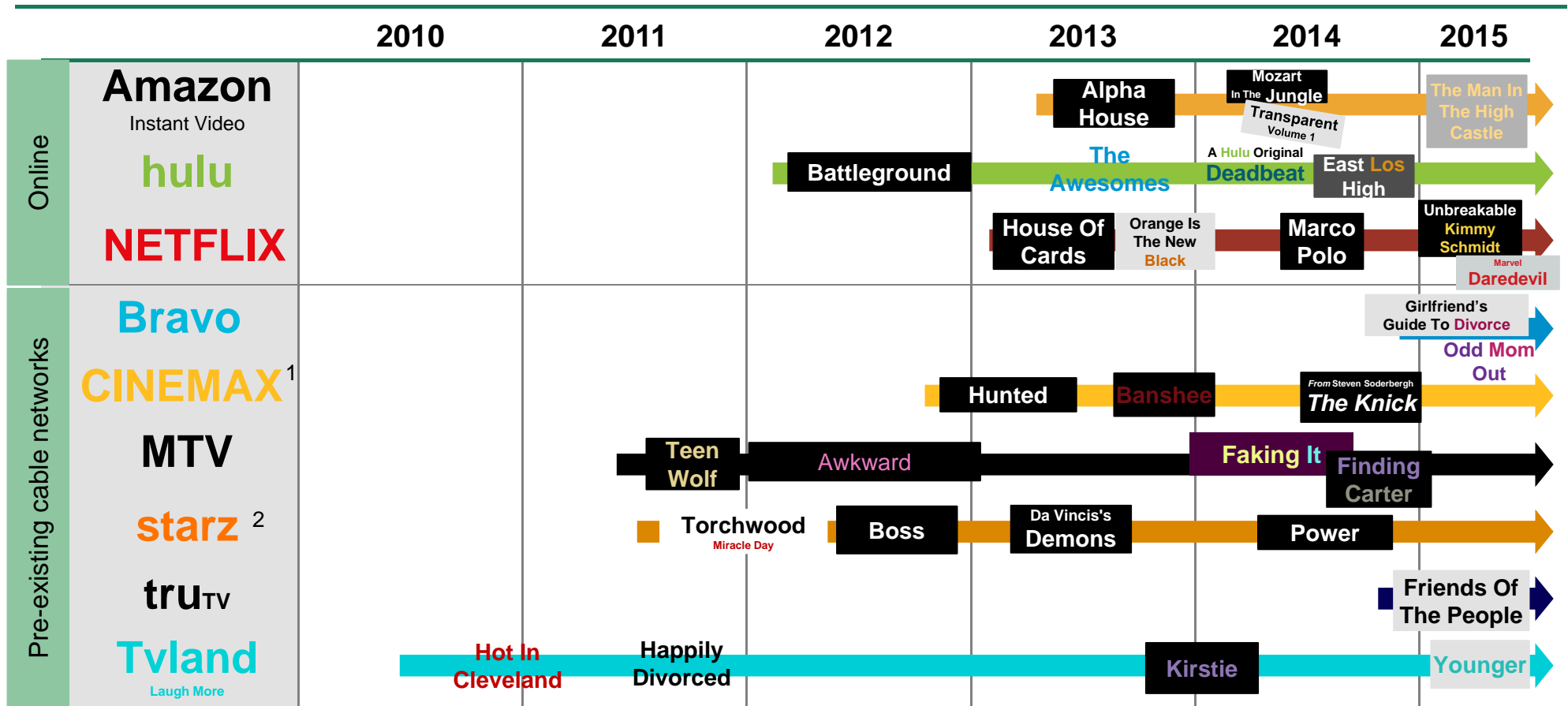
"**We hire the same people** and shoot at the same production value as feature films"

- Cable network executive

1. As cited in *The Hollywood Reporter*.

# Several US cable networks, online platforms have recently commissioned original scripted content for the first time

Timeline of original scripted content creation (nationwide, with illustrative show titles)



Scripted content seen to "anchor" a channel's lineup by creating loyalty among viewers/subscribers

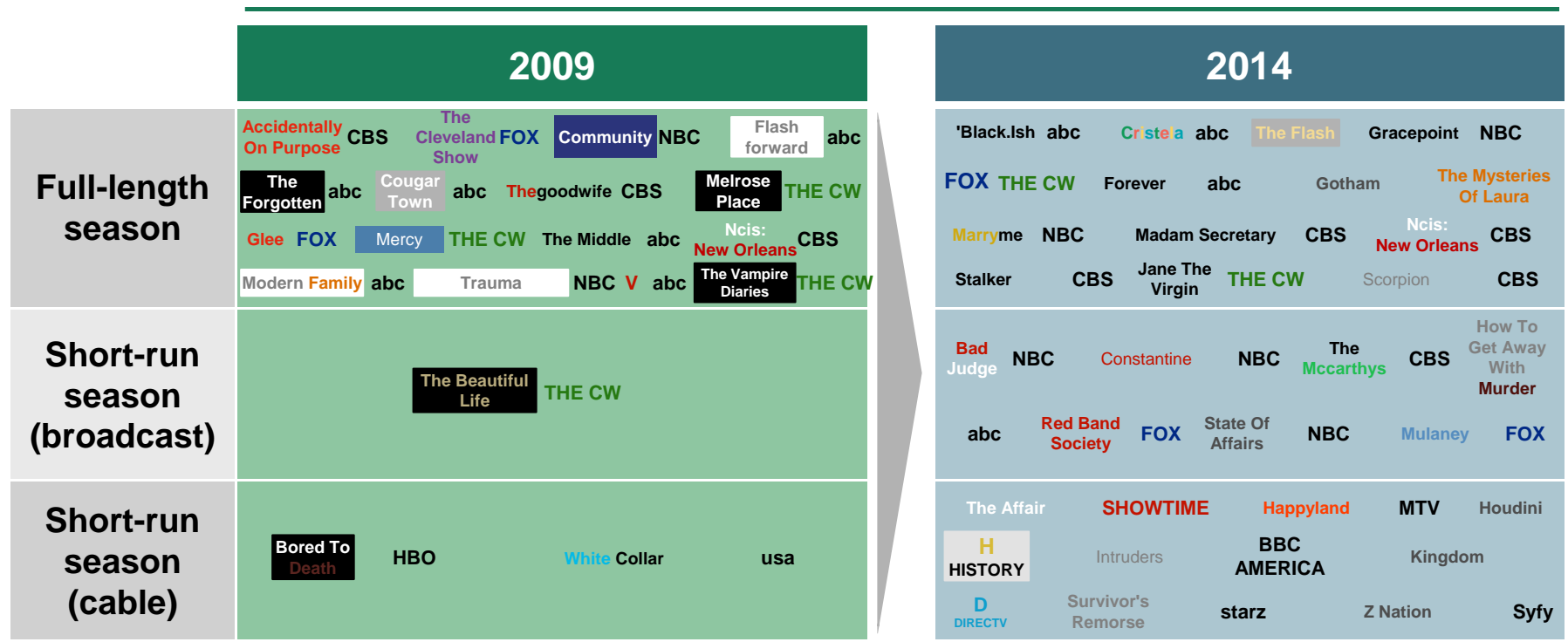
1. Excludes *Max in the Dark* and *Strike Back* (since it aired first in the UK) 2. Half-hour and longer programming.

# US scripted shows shifting towards shorter seasons

Short-run content originally limited to cable, but broadcast now also introducing short-run shows

## 'TV Guide' highly-anticipated debut shows in 2009 and 2014

- National, not specific to NYC productions



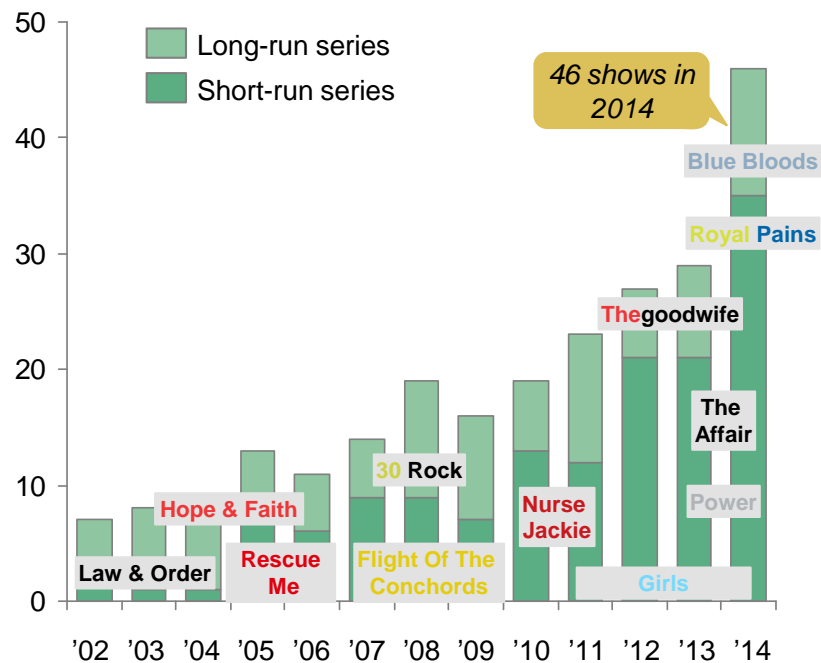
Several cable networks sponsoring original scripted content for the first time (e.g. History, Starz, Syfy)

Note: Full-length season is defined as 18 episodes or more; short-run seasons are fewer than 18 episodes.  
 Source: TV Guide 2009 and 2014 Fall TV Previews.

# National trends reflected in NYC TV productions

## NYC seeing more scripted shows produced, esp. short-run seasons...

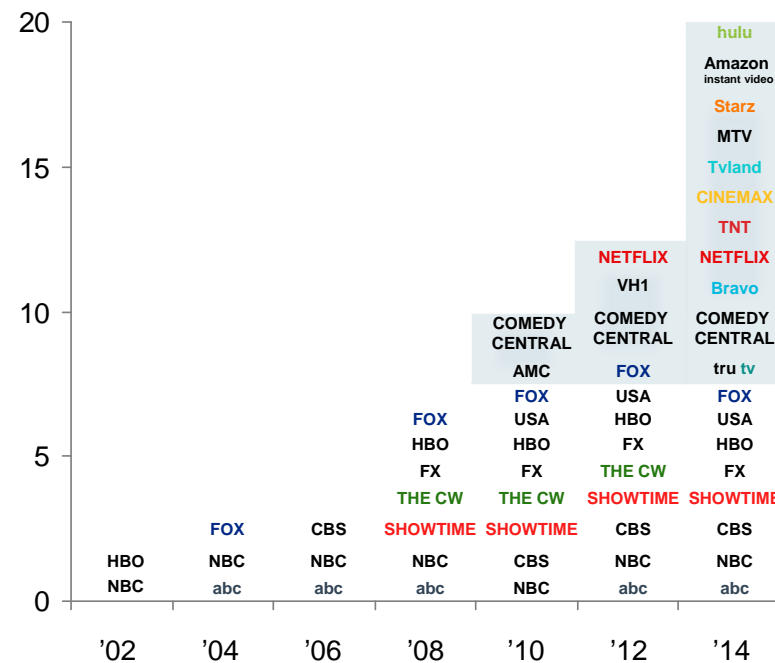
# scripted shows produced in NYC



# scripted shows:	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14
	11	12	11	17	15	18	23	20	21	24	27	29	46

## ... produced and distributed by more networks

Networks sponsoring NYC-produced scripted TV

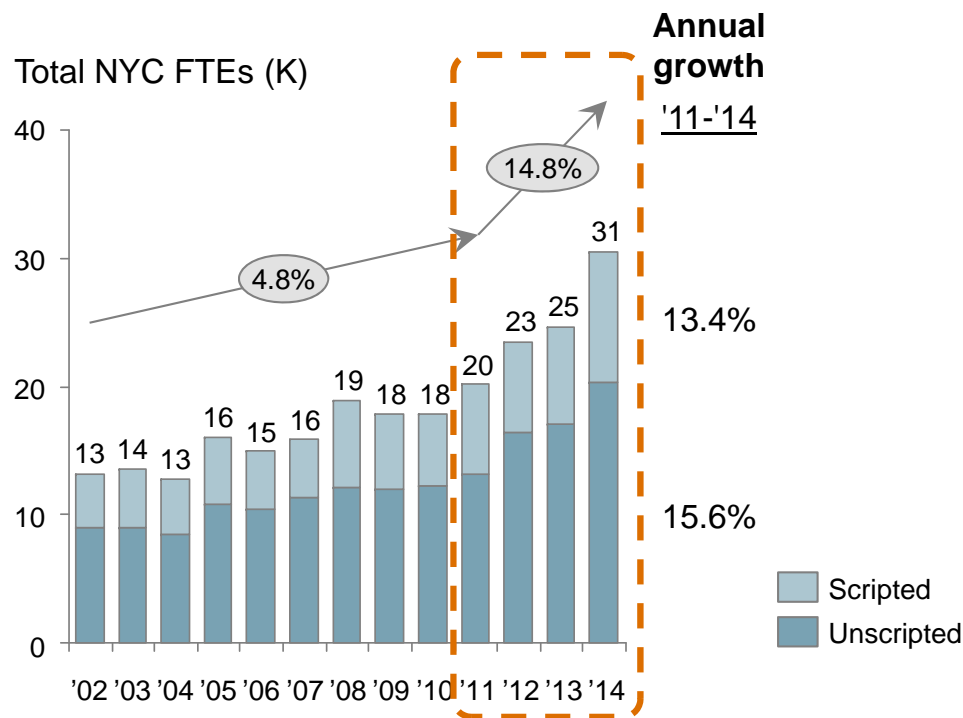


# networks:	'02	'04	'06	'08	'10	'12	'14
	2	3	3	7	10	12	19

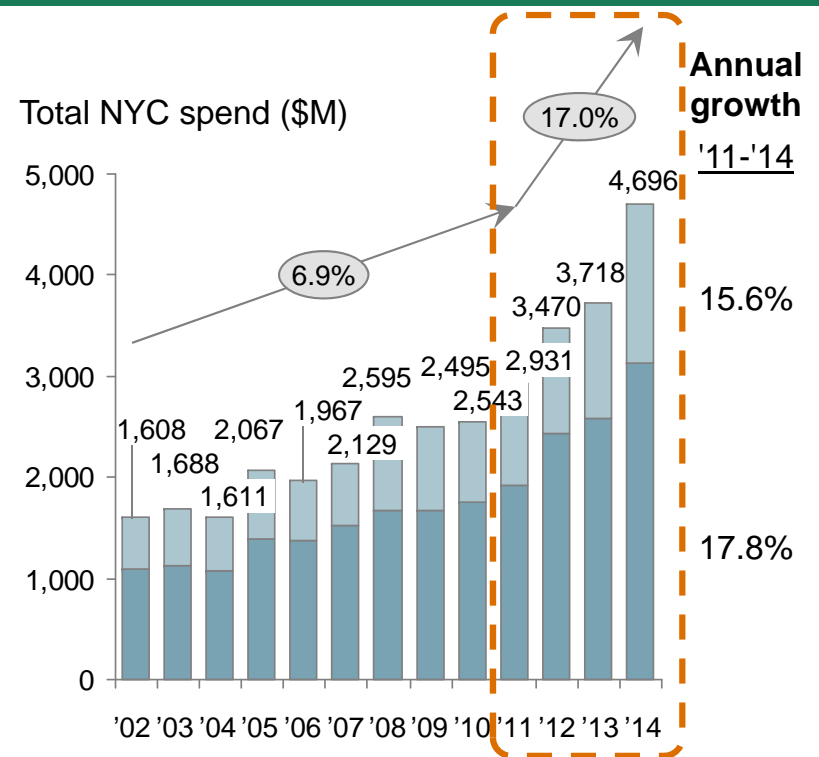
Note: Full-length season is defined as 18 episodes or more; short-run seasons are fewer than 18 episodes. Shows listed on left-hand-side graph are illustrative only. Source: MOME permit data.

# NYC TV production FTEs and spending has increased substantially since 2002, accelerating since 2010

**Both scripted and unscripted TV have seen FTE (full time equivalent) employment grow...**



**... with similar increases in total production spending**

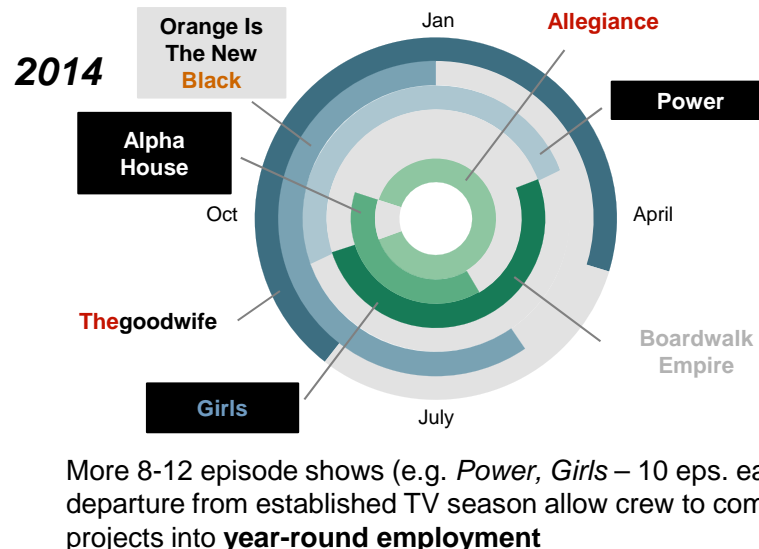
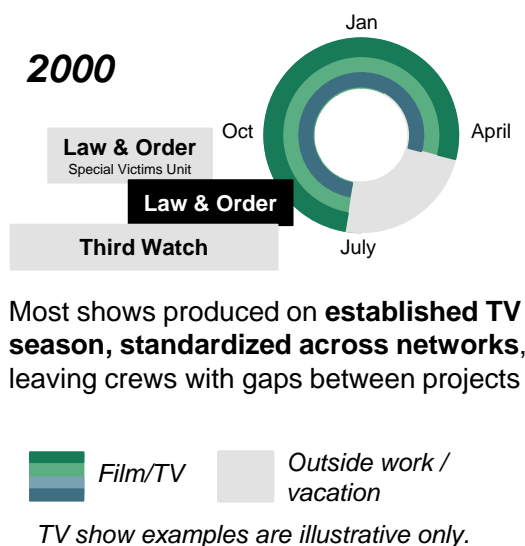


<p><b>Scripted:</b> 1hr dramas, 30min series e.g.:</p> <ul style="list-style-type: none"> <li style="margin-right: 10px;"><b>The Good Wife</b></li> <li style="margin-right: 10px;"><b>Orange Is The New Black</b></li> <li style="margin-right: 10px;"><b>Blue Bloods</b></li> <li style="margin-right: 10px;"><b>Girls</b></li> </ul>	<p><b>Unscripted:</b> Talk shows, reality shows, game shows and other types e.g.:</p> <ul style="list-style-type: none"> <li style="margin-right: 10px;"><b>The Daily Show WITH JON STEWART</b></li> <li style="margin-right: 10px;"><b>Bethenny</b></li> <li style="margin-right: 10px;"><b>The Real Housewives OF NEW YORK CITY</b></li> <li style="margin-right: 10px;"><b>Wendy THE WENDY WILLIAMS SHOW</b></li> <li style="margin-right: 10px;"><b>Minuto Para Ganar</b></li> <li style="margin-right: 10px;"><b>America's got Talent</b></li> </ul>
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Source: MOME permitting and city incentive application data; BCG Filmed Entertainment model. Spending estimates include 2-3% annual inflation.

# Increase in TV production has provided opportunity for crews to work year-round by combining projects

## TV production once highly seasonal – now a year-round job for many



## Year-round filming schedule offers crews stability, even drawing talent from feature films

"Having so much work here, and getting more employment per year, **makes [film/TV] more of a 'real job' and a sustainable life in New York**"

- TV producer

"Right now TV is so hot, it's easy for people to work on **show after show**"

- TV producer

"TV has moved beyond formulaic content – because of how many **writers, directors, and producers are moving from feature films into high-end TV**"

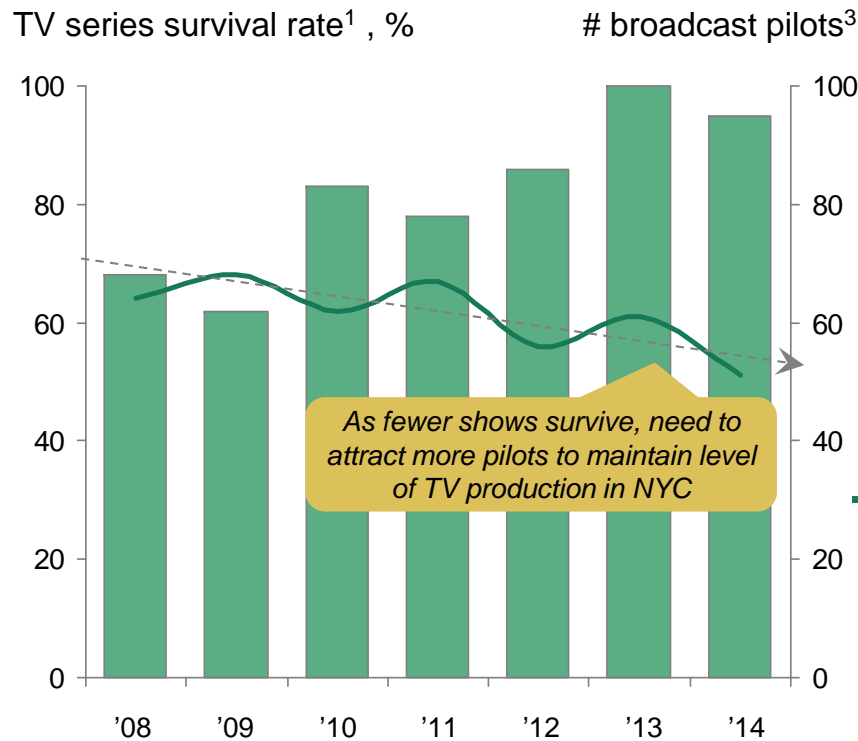
- Broadcast network executive

**FTE<sup>1</sup> growth has primarily manifested in greater utilization of crews – total number of people employed stable at 130K**

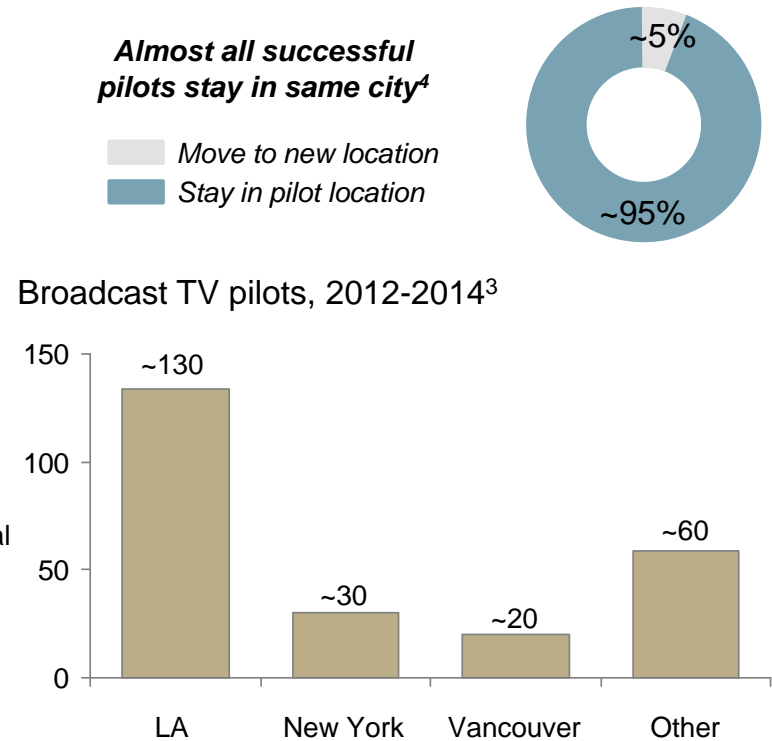
1. FTE = full-time equivalent (annualized). For example, a position requiring one person, fully committed, for 3 months would be 0.25 FTE.

# Growing churn in TV requires continued effort to attract pilots – as almost all shows stay in city where pilot was filmed

## TV show 'churn' increasing: Higher turnover results in more pilots each yr



## Almost all shows stay in pilot city; NYC is second only to LA, but room to grow



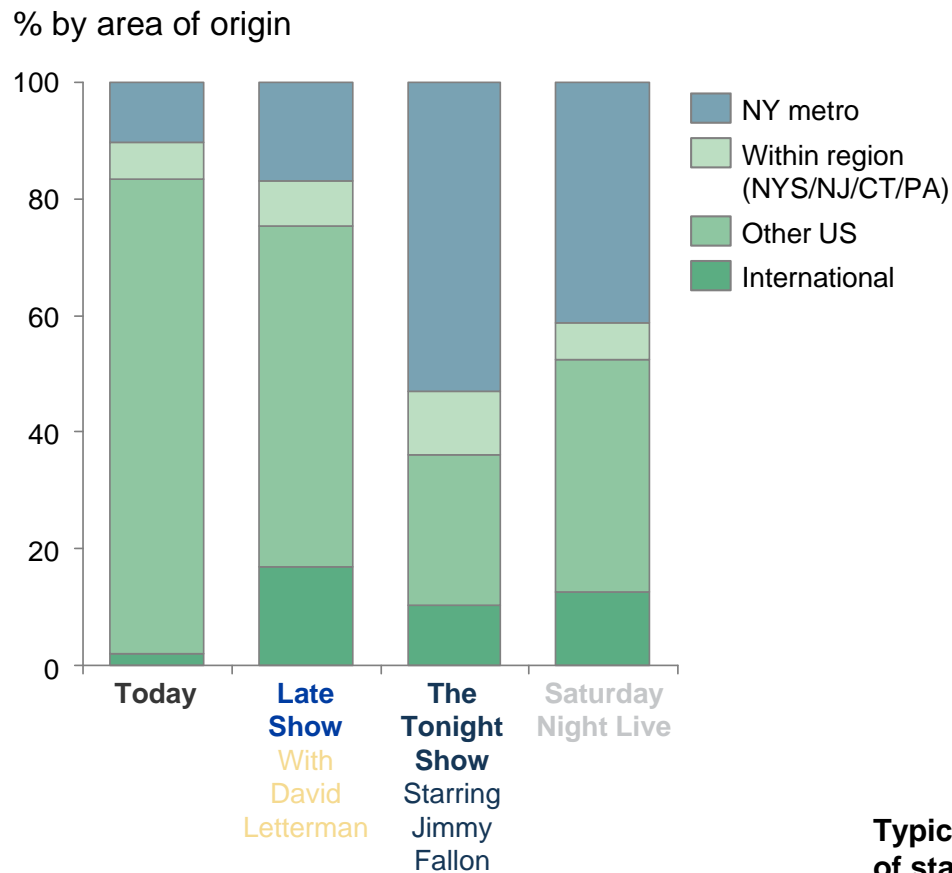
**Attracting pilots key to future health of NYC TV industry**

1. "Survival rate" defined as the % of shows on air in a given year that were/will be on air the following year. Source: MediaRedef, originally from SNL Kagan/FX Research/NY Mag. 2. Source: TV by the Numbers. 3. Source: *The Hollywood Reporter* pilot season roundup (broadcast only). Chart of pilots by location includes only pilots for which a filming location was available (~80% of total pilots). 4. Comparison of final filming location to *Hollywood Reporter* pilot location

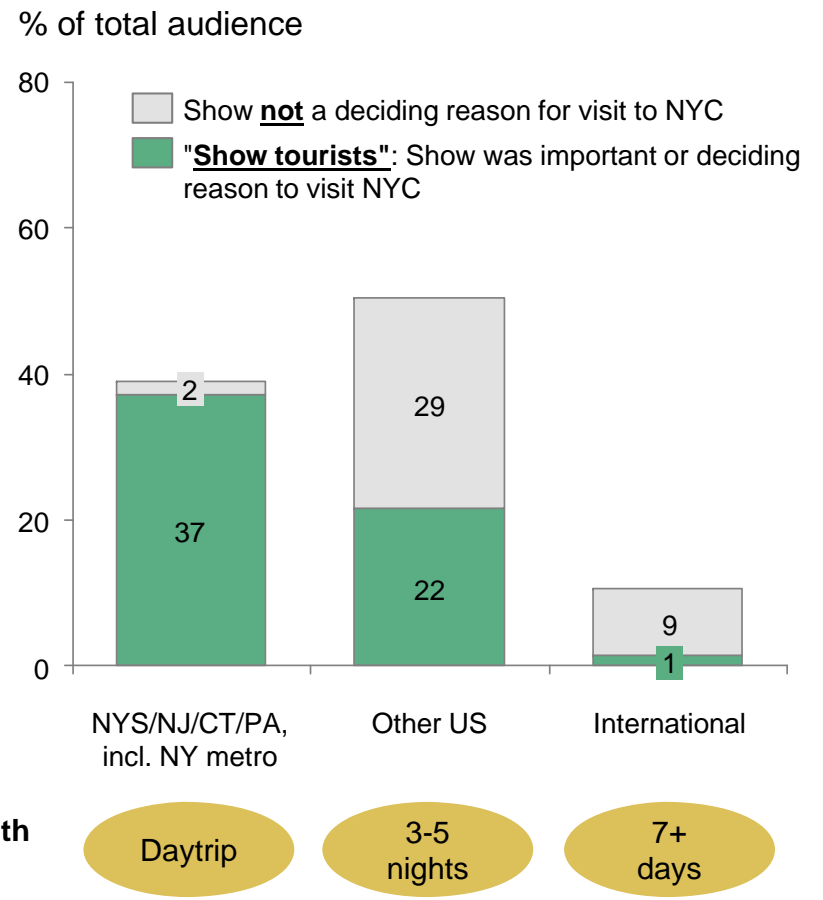


# Live filming attracts many tourists to NYC; most are day-trips, but overnight visitors typically stay 3-5 nights

## % from outside NY metro varies significantly across shows surveyed



## Most "show tourists"<sup>1</sup> are daytrippers from region, but some do travel from rest of US



1. "Show tourists" are tourists who indicated that their trip is entirely or mainly for the purpose of seeing the live taping. *Today*, *Tonight*, *Letterman*, *SNL* results weighted to reflect total mix of shows taping in NYC, based on genre and ticketing policy (how far in advance tickets are issued, whether admission is guaranteed, etc.). Note: *SNL* includes dress rehearsal and live show.

# TV audiences generate ~\$45M in tourist revenue for NYC

Conservative estimate of revenue generated from visitors who come to NYC to watch filming

**14 shows filmed live in NYC,  
with ~575k total yearly audience...**

	Studio audience	Shows / year <sup>1</sup>	Annual audience
<b>Letterman</b>	460	190	87,400
<b>SNL</b>	330	22+22 <sup>3</sup>	14,520
<b>Tonight</b>	290	190	55,100
<b>Today</b>	~200 <sup>2</sup>	260	~52,000
<b>Rachel Ray</b>	120	190	22,800
<b>Wendy Williams</b>	150	190	28,500
<b>Dr. Oz</b>	180	190	34,200
<b>Daily Show</b>	200	190	38,000
<b>GMA</b>	~200	260	~52,000
<b>The View</b>	185	190	35,150
<b>The Chew</b>	155	190	29,450
<b>Late Night</b>	290	190	47,500
<b>Kelly &amp; Michael</b>	230	190	43,700
<b>Meredith Vieira</b>	180	190	34,200
<b>Total</b>			<b>~575k</b>

**... stimulating ~\$45M tourist spending**

**Assuming TV show attendees spend on par with other "cultural tourists":**

- ~\$250/day for international overnight visitors, \$375/day for domestic overnight visitors, \$30/day (conservative assumption) for daytrip visitors<sup>4</sup>

**Survey of audience members indicated that show was important or deciding factor for ~50% of out-of-town<sup>4</sup> visits ("show tourists")**

- ~280k additional tourist-days
  - ~110k overnight visitors, ~170k day-trips
- **\$45M total additional tourist spending** as a result of TV show tapings

**Does *not* include ~50% of out-of-town visits for which M&E was a factor in choosing NYC, but not a critical one**

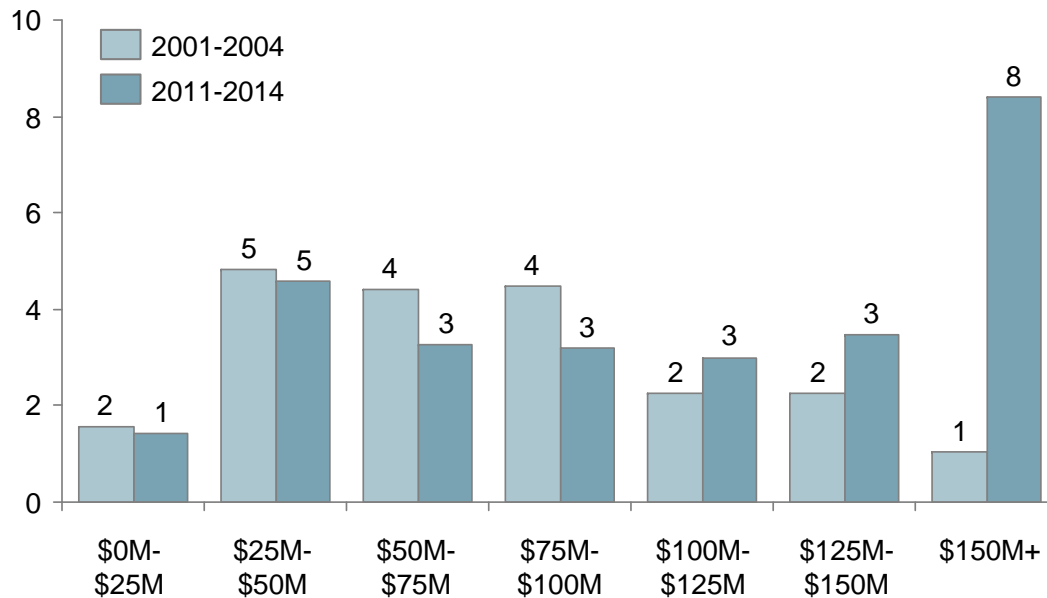
- Including many overnight visitors, as most day-trippers indicate M&E is deciding factor

1. Standard assumptions used to compute number of episodes. SNL based on permit data. 2. Estimated average. 3. SNL has 22 performances, plus 22 dress rehearsals (with separate audiences)  
4. Excludes attendees from within the five boroughs, who are not counted as "out-of-town".

# In movies, across the industry we see concentration of dollars into large 'tentpole' productions

## 7X growth in dollars spent on \$150M+ budget movies in 2011-2014 vs. in 2001-2004

Total budget (\$B) spent on top 100 grossing movies per year, 2001-2004 vs. 2011-2014, split by budget size



<b>% change</b>	<b>-9%</b>	<b>-5%</b>	<b>-27%</b>	<b>-29%</b>	<b>+32%</b>	<b>+54%</b>	<b>+697%</b>
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Total change '01-'04 vs. '11-'14

## As a result of piracy and internationalization

### Piracy risk increases pressure to generate revenues early at box office

- Audiences more likely to go watch 'tentpole' movies in theaters vs. at home
- Studios could previously rely on home video revenues, eroded by piracy

### International audiences, especially Asia, highly receptive to movies with strong VFX

- >50% of revenues now generated overseas

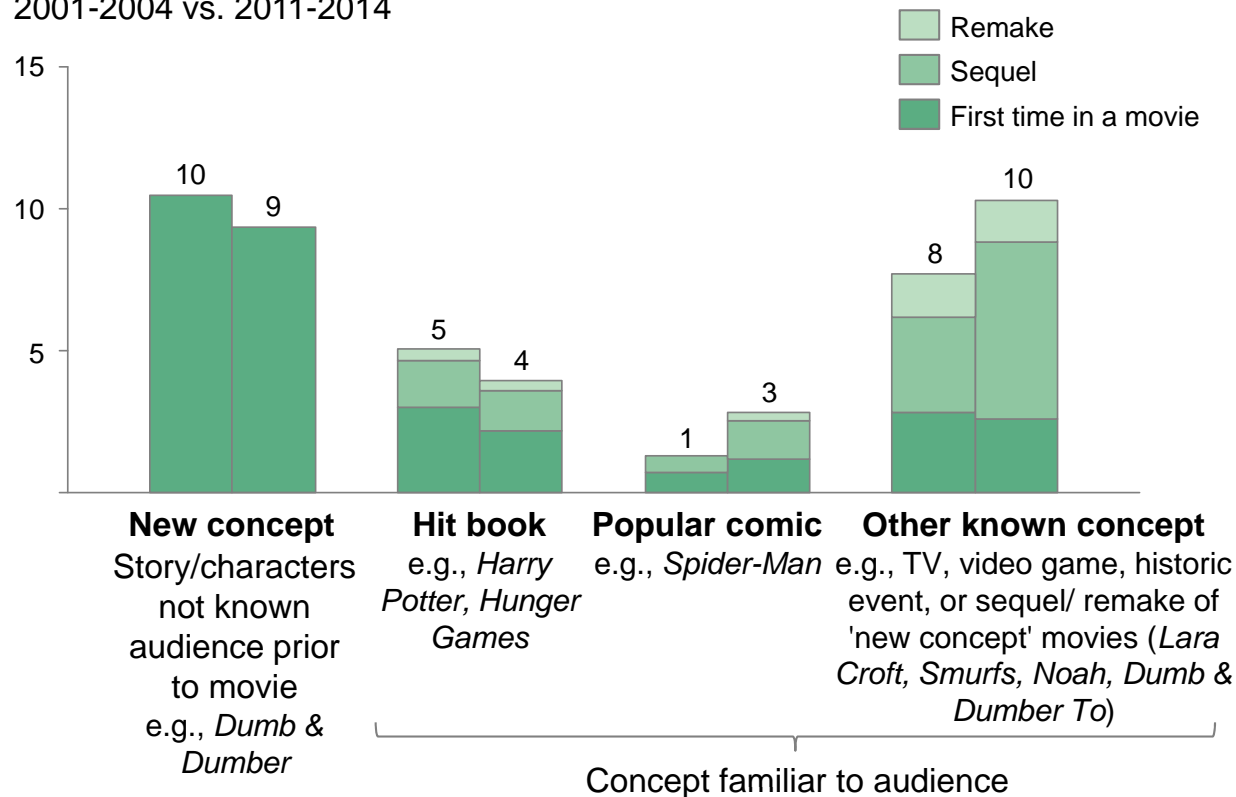
### Industry shifting away from midsize movies

- Typically romantic comedies, dramas

# National movie industry also "de-risking": dollars flowing into sequels and widely recognized characters, stories

## Strong growth in dollars spent on movies with comic book/other known concepts in '11-'14 vs. '01-'04

Total budget dollars (\$B), for top 100 grossing movies per year, 2001-2004 vs. 2011-2014



% change	-11%	-23%	+121%	+34%
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Total change '01-'04 vs. '11-'14

Source: IMDB, BoxOfficeMojo, BCG analysis

## To enhance probability of large box office sales

### Concentration of movies in 'known concepts' already underway a decade ago

- *Harry Potter*, *Lord of the Rings* series both released from 2001
- Resulted in large share of production dollars in 'hit books'

### 2011-2014 has seen significant expansion of this trend

- Diversification beyond books, into comic book characters and other known concepts e.g., *Lego Movie*, *Ninja Turtles*

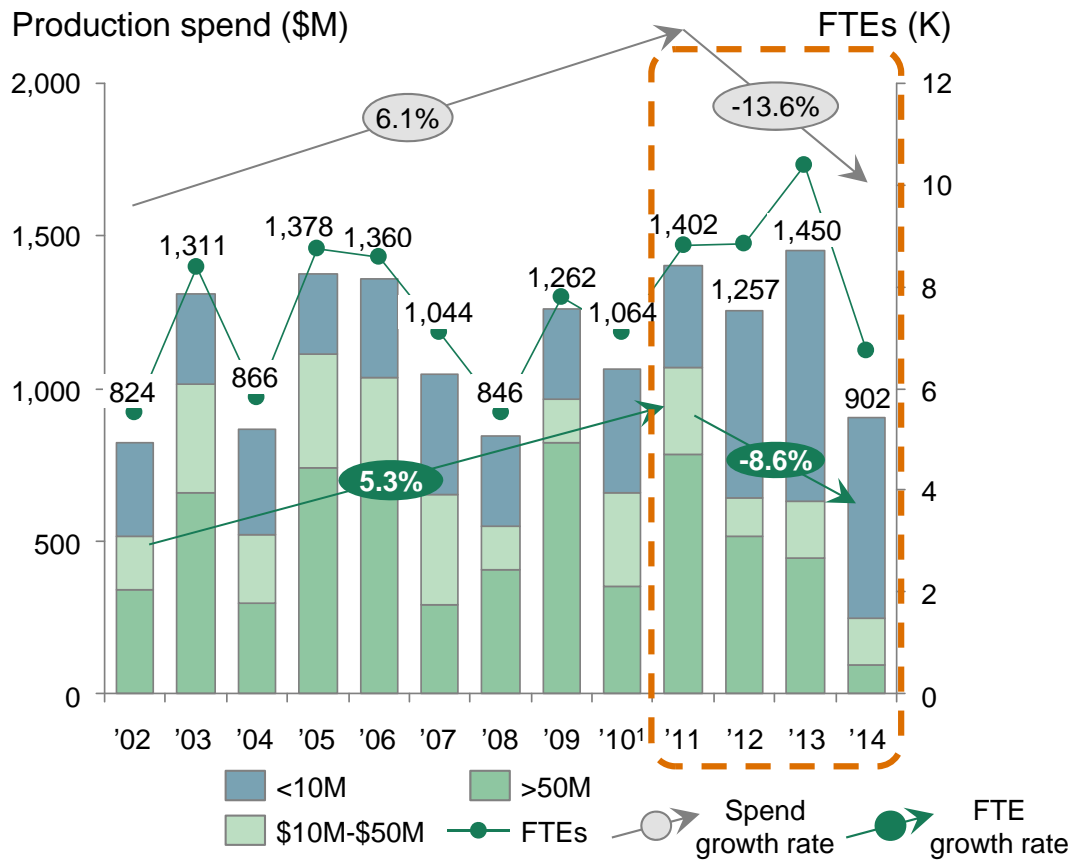
### Overall growth in share of spend on sequels/remakes vs. first-time productions

- e.g., from 43% to 58% of comic movie dollars; 64% to 75% for 'other known concept'

# NYC film production costs and FTEs (full time equivalents) more variable than for television

**NYC film production has been variable during the period...**

**...as market segments between bigger blockbusters and low budget films**



**Shift in movie industry toward small number of blockbusters and more low-budget indies**

- Fewer mid-budget films (esp. romantic comedies), as studios squeeze budgets
- Talent, content shifting to TV

**... results in wider year-on-year variation in movie production spend in NYC**

- NYC filming typically dependent on<sup>1</sup>:
  - Whether scripts ask for urban location<sup>2</sup>
  - Ratio of ATL vs. BTL costs<sup>3</sup>
  - Preference of key talent to film in NYC
  - Stage availability, given increased TV production in NYC
  - Ability of production team to work around the complexities of filming action sequences and stunts in NYC

**Some big films expected to film in NYC in '15**

- e.g. *Ninja Turtles* sequel

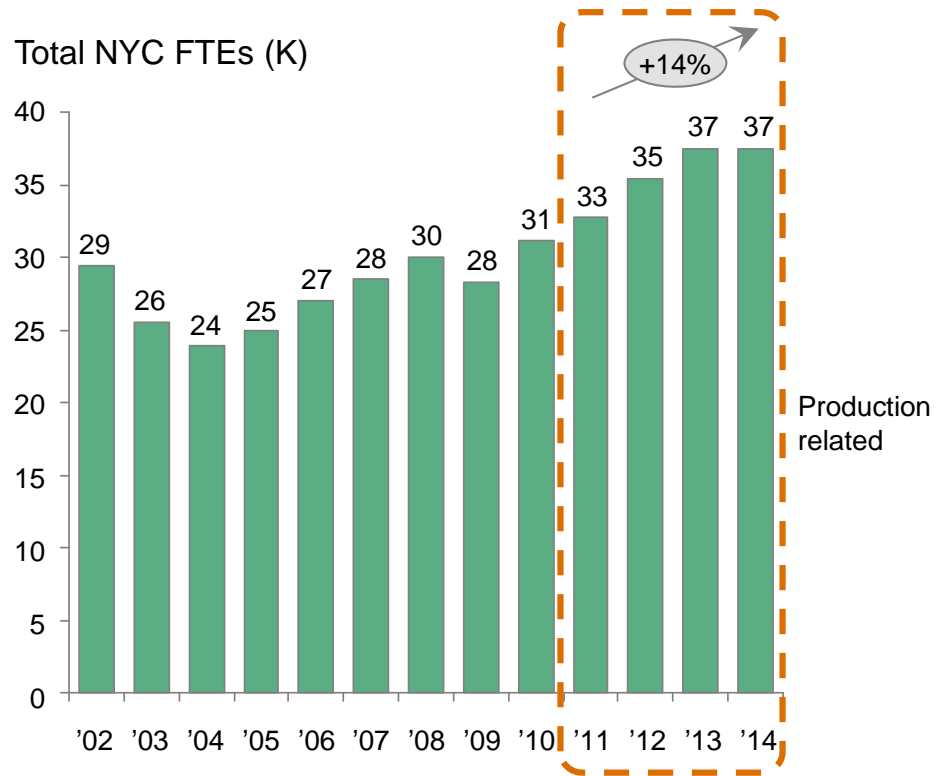
1. Omits tax credit, assumed to remain stable 2. With notable exceptions e.g., 'Noah', 'This is Where I Leave You'. 3. ATL costs not eligible for tax credit.

Source: MOME permitting and city incentive application data; BCG Filmed Entertainment model

# Production related activities also an important source of jobs in NYC, contributing 37K toward the total 104K FTEs

Production related FTEs (full time equivalents) grew 14% since 2011...

...compounding the importance of a strong NYC filmed production industry



Production related jobs include all *direct* supporting functions for film production

- E.g. equipment rental, transportation, construction, costumes, laundry, direct food service, etc., often provided by small businesses.

104K FTEs employed by the NYC filmed entertainment industry in 2014 includes both direct employment on a production, as well as these 37K production-related FTEs

This does NOT take into account the vast indirect spend film brings to the city which further compounds the industry impact

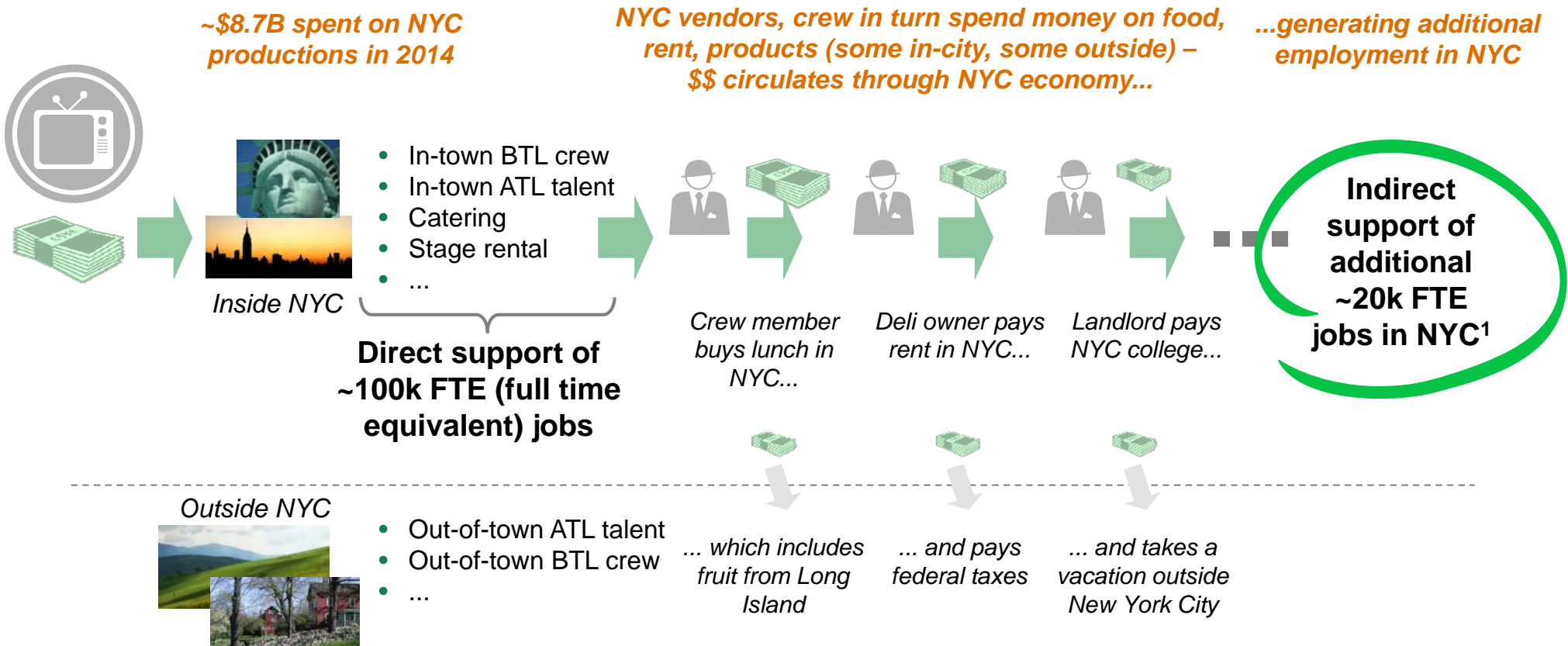
- e.g. tourism, restaurants, hotels, etc.

Note: Production-related employment estimated by MPAA. Since not direct employment, excluded from BCG RIMS analysis.

Source: Production related jobs calculated based on MPAA methodology for NYS, conservatively estimating that NYC's share of state production-related jobs matches its share of direct state production jobs.

# In addition to 104K direct production and production-related FTEs, filming supports ~20K NYC jobs *indirectly*

After a production spends money in NYC, that money continues to ripple through NYC's economy – creating more economic activity and FTEs (full time equivalent jobs)



1. FTEs calculated using RIMS II Type I jobs multiplier (jobs-for-jobs), counting only direct employment (excl. production-related employment) and film ATL. Note: Type I RIMS II multipliers used, as wages likely inflexible in short-term due to union contracts. Detailed industry multipliers compiled using 2002 Benchmark Input/Output Table and 2010 regional data (most recent detailed industry multipliers available from BEA). Source: Bureau of Economic Analysis (Dept. of Commerce), RIMS division.

# Indie scene is a key differentiator of NYC filmed production

Key contributing factors of flourishing indie scene in NYC – from interviews with industry leaders

## Strong indie community

### Close knit group, with an **indie 'mentality'**

- "Not competitive, people willing to help"

### Distant from commercial lens of LA

- "If you're in LA, you're signaling you want to be in the studio system; NY makes movies for other reasons: art, storytelling, festivals, critical acclaim"

"LA is consumed with the **business** of productions; NYC can focus on the **craft**"

– NYC producer

## Support from NY organizations

**Festivals and awards:** Tribeca, Gotham Awards, New York Film Festival, NYC doc

**IFP labs and co-production market**

**State and city support:** State tax credit; MOME Permits and location advice, Made in NY Media Center and location library

**Film schools:** High quality training

"Everything an indie film needs is here in NYC"

–Multiple interviewees

## Increasing affordability

### Reduced cost of technology

- Previously needed lighting crew, grips, etc. - less essential with new equipment
- Distribution, access to audience is now the key challenge
- "It's relatively easy to pull together a group of your friends and shoot something"

"...indie productions can access the same exterior locations, same city 'energy' as a \$100M blockbuster"

– Union leader

## Potential route into mainstream

Some make a career from indie, prefer the "honesty" of the small-production world

- e.g., Patricia Clarkson

...but many use independent movies as a **chance to acquire proven skills**, as a **path into unions**

"Indie movie industry... used as 'farm team' by major studios, to test out talent"

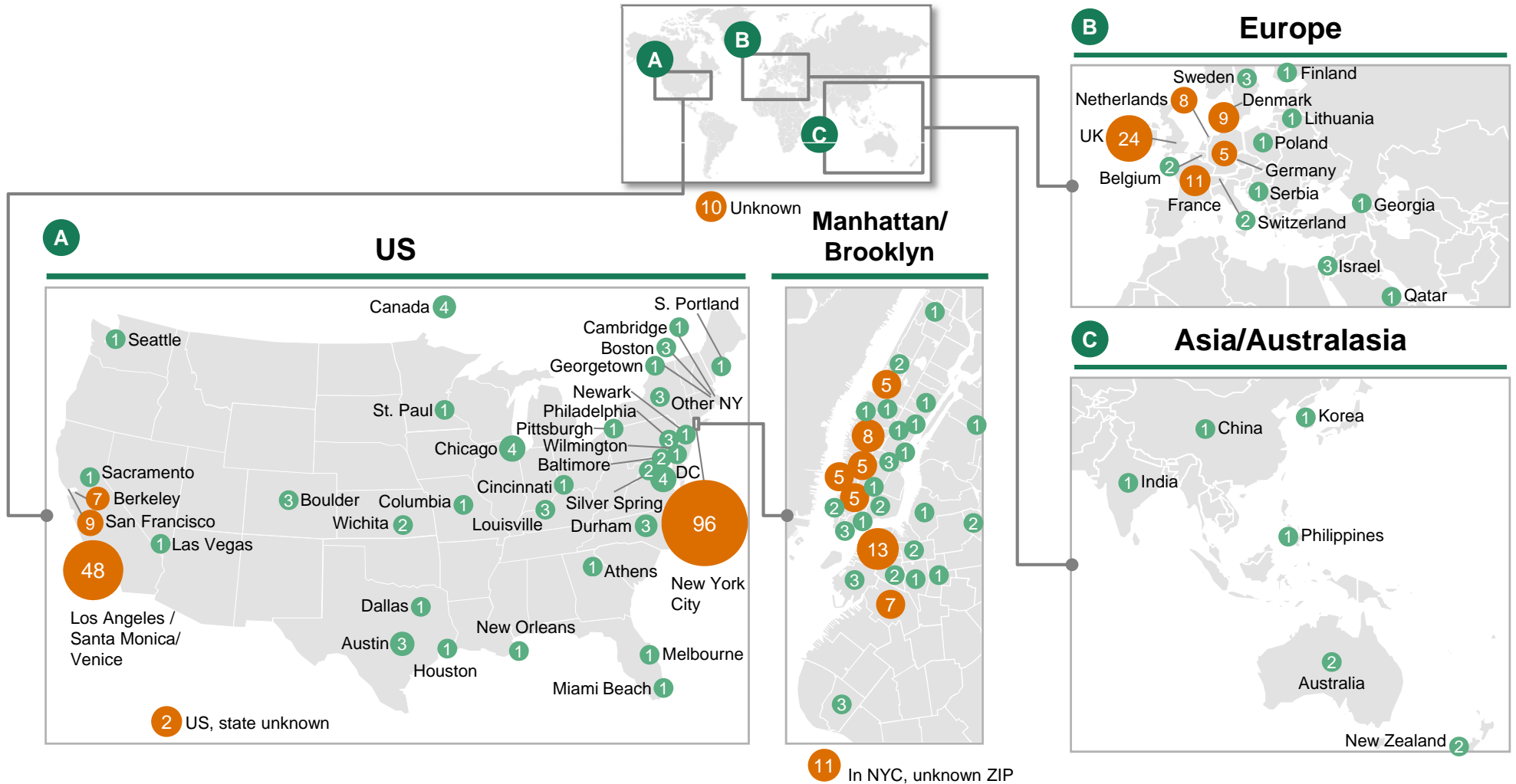
–Indie post production executive



# ...and NYC dominates the US documentary industry

Particularly strong concentration of documentary production companies in Brooklyn Heights/DUMBO

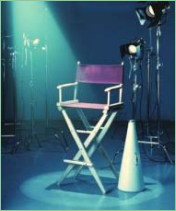
Number of nominations received by production companies headquartered in each city, for feature-length documentaries, at a selection of top-tier US award ceremonies, '11-'14: Academy Awards, Tribeca, Sundance, AFI docs<sup>1</sup>



1. First listed production company only; Some films nominated for multiple awards (e.g., in 2014: 1971, *Dinosaur 13*, *Ivory Tower*, *The Overnighters*, *Virunga* were selected twice). Each nomination counted separately

# Abundant local talent in NYC: Deep crew base and few remaining gaps in post production. ATL varies widely by project

## Response from expert interviews



### Above the line

#### Well established base of local NYC producers, directors, actors

- While ~70% of ATL is typically based in LA, NYC is home to most of the remainder of US ATL talent
- Strong film schools, Broadway provide a steady flow of future talent for NYC
- Out-of-town ATL typically relocates to NYC on a semi-permanent basis for television productions
  - *"Not hard to convince people from elsewhere to come to New York"*
- ATL talent moving more fluidly than ever between film, TV, and commercials

#### Writing is a key role remaining strongly LA-centric (outside of comedy/variety)

- Small share of sitcom/episodic TV – with exceptions, e.g.: *Boardwalk Empire, Blue Bloods, 30 Rock*
- Perceived lack of 'critical mass' of TV writers in NYC – many feel need to move out West "to make it"
- Studios can be reluctant to locate writing rooms away from LA-based creative executives



### Below the line

#### Even with 46 TV shows, multiple movies in 2014, talent pool broad enough to staff crews locally

- Greater demand for crews, but still possible to pull together a world class team
- A limited number of roles typically less abundant in NYC, e.g. senior construction coordinators, production designers, mechanical effects (typically come from LA for big movies)

#### Possible to pull from Broadway talent too, as required



### Post production

#### Post production in NYC reaching scale, as a result of tax credit

- Strong multidisciplinary skills in NY due to co-location of commercials, branded content
- Post production is agnostic of where principal photography occurs; driven by location preference of director. Growth of directing talent in NYC therefore benefits NYC post production industry
- Can be challenging to find senior freelance supervisors at present, but talent expected to scale
  - by rising through the ranks, as well as relocating from other cities
- Movies/TV increasingly reliant on VFX; talent expected to grow in near term, e.g. from SUNY Buffalo

# Agenda

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- Theatre, Publishing, Advertising/PR agencies

## 3 New media in NYC: Digital media and entertainment companies and funding

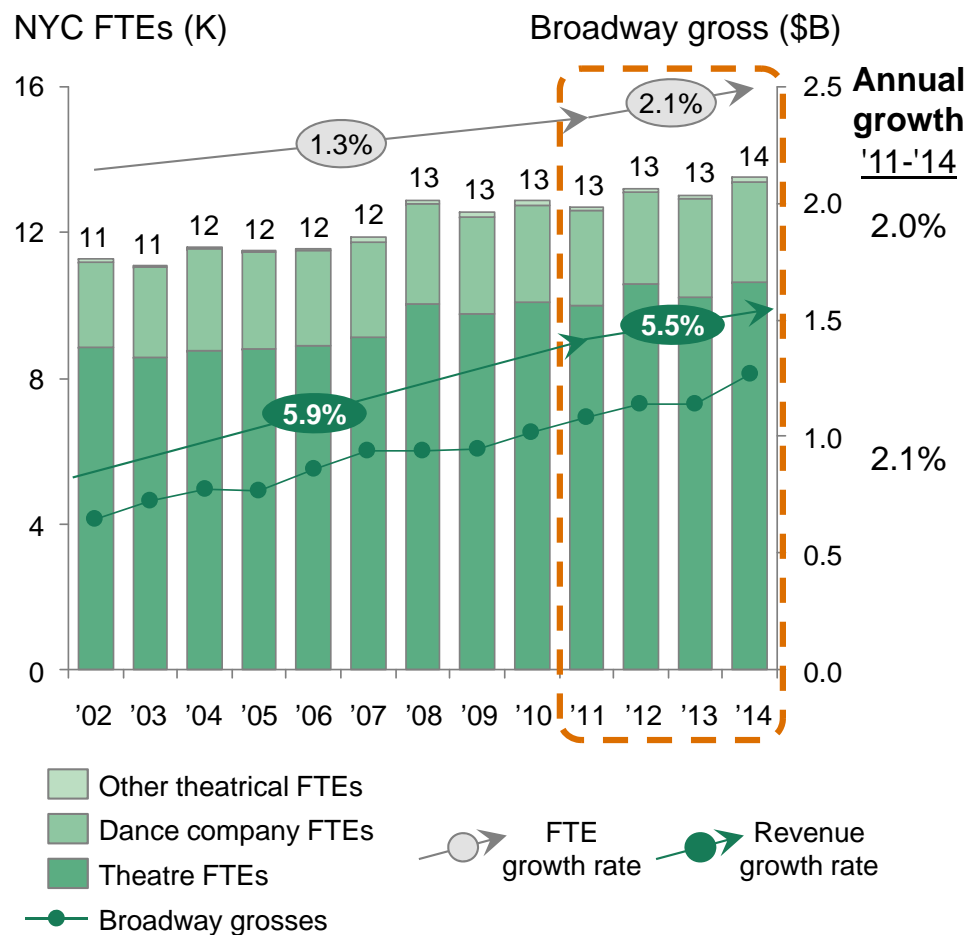
## 4 Total economic impact of Media and Entertainment in NYC

- Diversity in the US media industry

## 5 Positioning NYC for the future

# Strong growth in Broadway grosses, and steady upward trend in overall theatre employment

## Theatre employment, Broadway ticket revenues rising steadily...



## ...Fueled by effort to expand audience, with new and varied content

### Theatre, incl. Broadway, continues steady growth in employment and revenue

- Employment growing steadily
- Strong growth in ticket revenue
  - Revenue outpaces growth in attendance
  - Efforts to attract new audience paying off, e.g. *Viva Broadway!*

### Cross-pollination with filmed entertainment helps both industries connect with audience

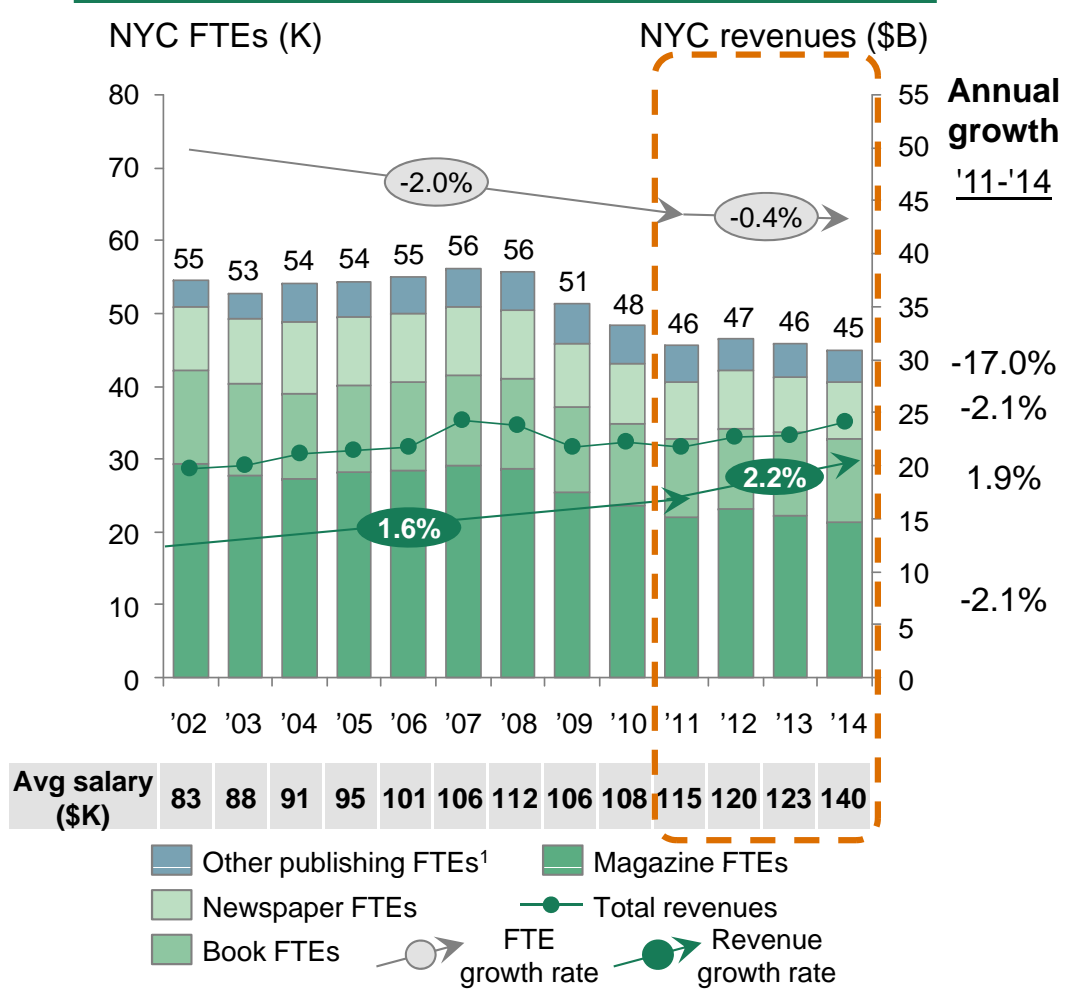
- Familiar actors, stories, characters from film or TV help attract new audiences, e.g.:
  - Disney, *Matilda* bring children/families
  - *Rocky* appealed to men, sport fans
  - Stars (e.g. Neil Patrick Harris) do limited-run Broadway, attract fans to shows – a trend initiated by '07-08 writers' strike
- Broadway shows adapted for screen, e.g. *August: Osage County*; *Jersey Boys*

Source: BLS (employment data), The Broadway League (Broadway ticket revenue). Note: BLS data includes direct employees of theatre and dance companies; it does not include other ancillary industries (e.g. orchestras, law firms, accountants, advertising agencies), even if primarily focused on the theatre industry.

# Publishing jobs in decline, revenues recovering slowly as industry shifts to digital

**FTEs still declining 2011 to 2014, but less sharply than in 2002 to 2010...**

**... as digital revenues offset contraction of print sales and ads**



## Persistent challenges for industry with shift away from print sales and traditional advertising

- Advertisers, readers shift to digital, mobile – though print players remain most trusted providers of content, even in digital space
- Newspaper revenues have recovered somewhat since 2011 due to online subscriptions, but magazine revenues continue to fall

## NYC employment affected by backoffice consolidation, may be further impacted if digital acquisitions made outside of NYC

- Central functions moving to low-cost areas or offshore; executives stay in NYC
- Future acquisitions in digital will likely operate from their original location vs. be relocated. Many already in NYC, but others in Silicon Valley

Source: BLS (FTE, salary data); AdAge, NAA, MPA, Bookstat (revenue data) 1. "Other publishing" includes mailing lists/directories, phone books, calendars, etc.  
 Media and Entertainment in NYC-Final.pptx

# Advertising/PR agencies continue to shift jobs to New York amid slow national recovery

**Ad FTEs (full time equivalent jobs) have grown despite lower traditional ad spend**

**...As agencies evolve their offering toward digital, mobile**

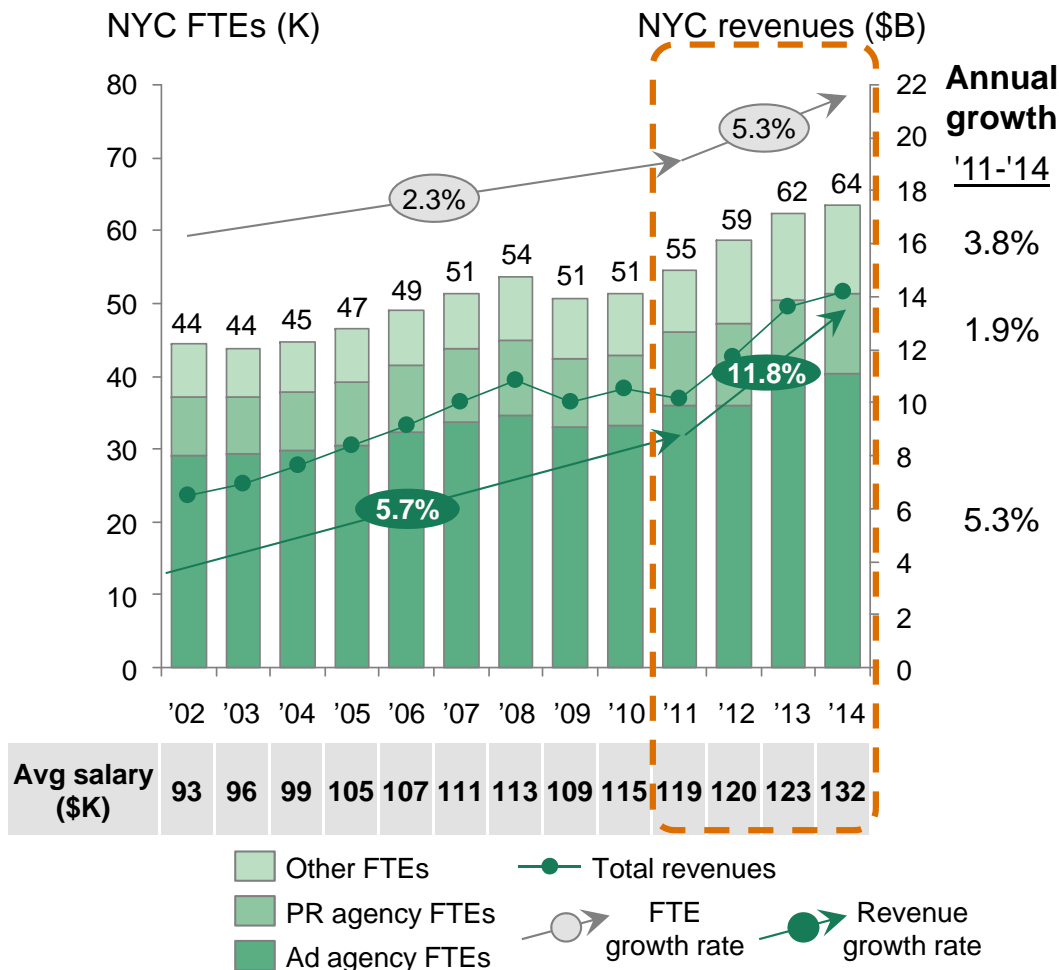
**Strong growth in digital has offset flat or slightly declining market for print, TV ads**

**US ad industry expected to remain strongly concentrated in NYC**

- Most new specialist digital agencies arising in New York vs. Silicon Valley
- New services e.g., programmatic buying benefit from access to finance trading talent

**Agencies capturing growth by buying digital firms, or building capability in-house**

- Clients seeking holistic offering spanning traditional and digital, vs. multiple partners
  - This benefits the major agencies of NYC
- Strong job market in digital intensifying in recent years. Main gap is senior leadership (10+ years digital experience), as many in that era left to join dot coms



Source: BLS, SNL Kagan, MOME Bookstat, MMA and BCG analyses  
Media and Entertainment in NYC-Final.pptx

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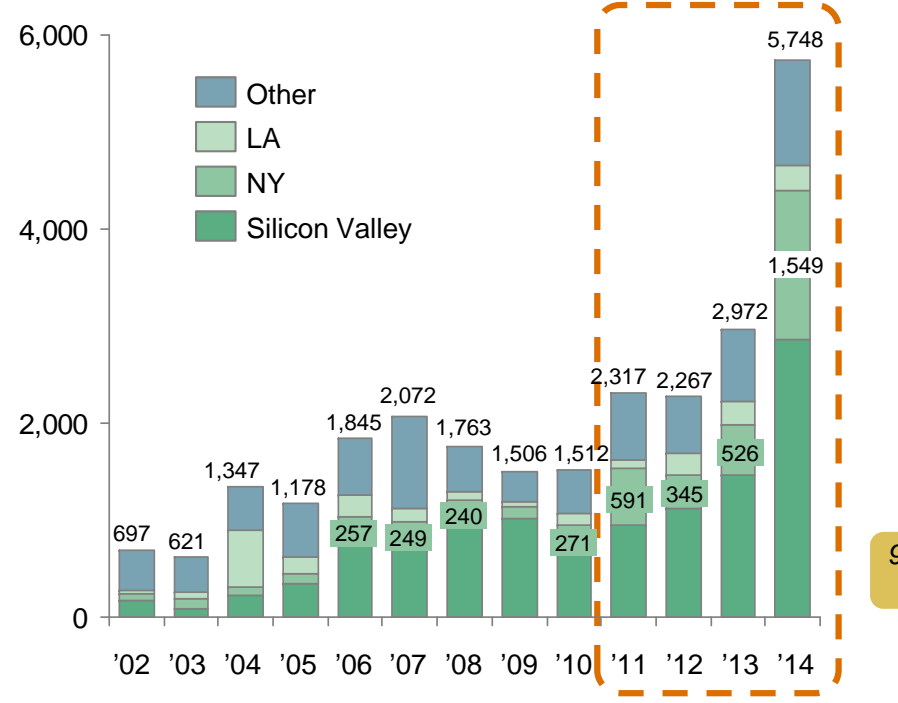
## 5 Positioning NYC for the future

# 2014 was a blockbuster year for digital media funding in NYC

~\$1.5B invested. Growth primarily coming from increase in valuations, vs. number of deals

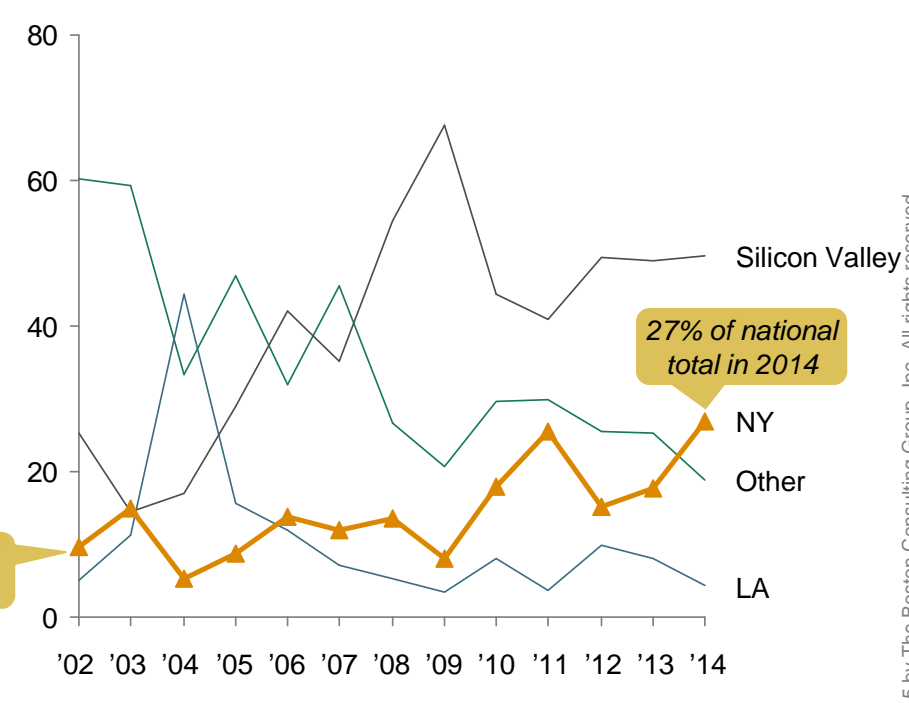
## Media & Entertainment venture capital investments increasing sharply...

Venture Capital Media and Entertainment investments (\$M)



## ... with NYC capturing greater US share

% of annual investments



Source: PWC MoneyTree and Crains NY business, Gridley NY Digital Medias  
Media and Entertainment in NYC-Final.pptx



# NYC's digital and technology landscape

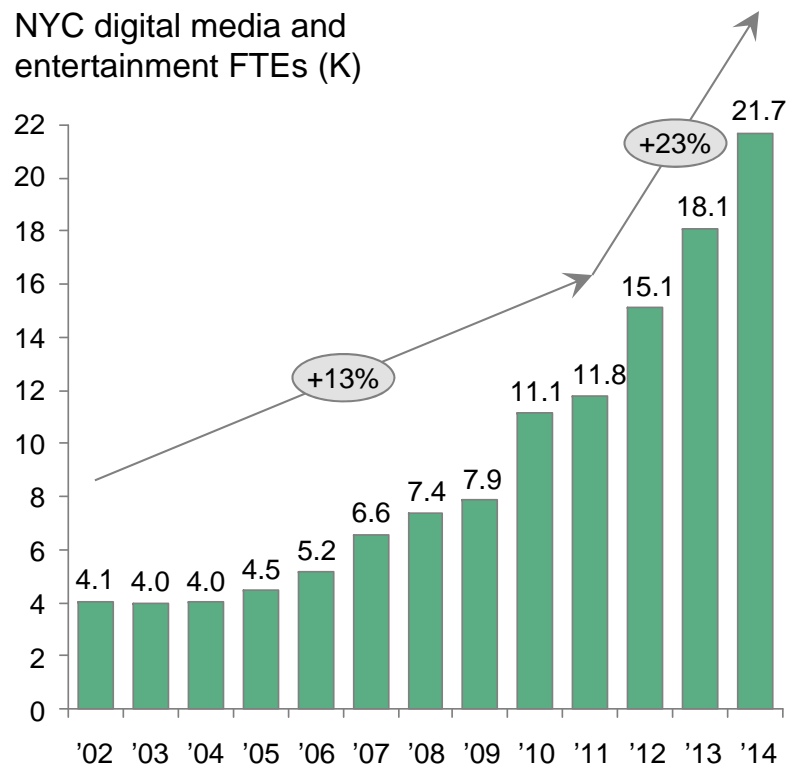
TACODA

Activity	2007	2008	2009	2010	2011	2012	2013	2014
<b>Digital companies founded or funded</b>	betaworks is founded TUMBLR. Series A	BUDDY MEDIA appnexus		foursquare Series A	Yipit art.Sy StackExchange Open Sky hunch LEARNVEST	bit.ly RENTHERUNWAY SkillSlate fotolia Raised \$150M from KKR	Shutterstock IPO, \$77M MediaMath TREMOR VIDEO IPO, \$75M Vice Qiurky	Raised \$100M Raised \$500M from A&E appnexus FanDuel Raised \$70M Raised \$110M from WPP
<b>Key digital acquisitions</b>	Google / double click (\$3.1B) YAHOO! / rm (\$680M) AOL / TACODA (\$275M)	Comcast DAILY CANDY (\$125M)	Comcast NBC UNIVERSAL (\$30B)	AOL THE HUFFINGTON POST (\$315M)	YAHOO! interclick (\$264M) Google Admeld (\$400M)	salesforce BUDDY MEDIA (\$745M) j2 Zynga (\$183M) OMGPOP (\$165M)	TUMBLR. YAHOO! \$1.1B	Adobe fotolia (\$800M) rocketfuel [x+1] (\$235M)
<b>Big tech actions</b>	Interval leisure group IAC Announces spin-offs of ticketmaster HSN tree.com	Google officially opens Googleplex in New York City		techstars comes to New York	twitter open NYC offices	facebook announces first non-CA office to open in NYC	← Ongoing, expansion of big-tech in NYC → Google facebook twitter Rapid growth in 'we work' offices, providing space and community to NYC startups wework	
<b>NYC support</b>			MediaNYC 2020 initiatives announced City-funding of start-up incubators	NYC creates first ever 'Chief Digital Officer' position	Mayor releases NYC Digital roadmap and announces \$100M grant for Applied Sciences Research Campus	Technion Cornell University Cornell and Technion selected	MEDIA CENTRE Opening of the Made in NY Media Center by IFP, in Brooklyn	

Source: Gridley's Guide to Digital NY, CB Insights, CapIQ, AGC Partners, MOME

# Influx of startup funding and continued growth of big tech have fueled expansion of digital media & entertainment in NYC

## Acceleration of growth in digital media and entertainment employment



Source: Digital.NYC, BLS, Gridley report, SNL Kagan and BCG analysis  
Media and Entertainment in NYC-Final.pptx

## Trends driving NYC figures

### Proximity to traditional media provides inherent advantage for digital media and entertainment

- e.g., strong links to revenue generation, as marketing dollars still channeled through NYC-based agencies

### Continued growth of 'big tech' in NYC

- Google, Twitter, Facebook attracting top engineering talent from across the US
- NYC offers alternative to tech monoculture in Silicon Valley

### Over 6000 startups in NYC, of which ~450 are in media and entertainment

- NYC particularly strong in ad tech, marketing tech and editorial content
- Continued potential for growth, as business models evolve to link content and revenues
- Incubators and programs like Cornell Technion helping to grow talent pool – but continued efforts required to reach level of Stanford – Berkeley – Silicon Valley

# Key chapters of 2015 report

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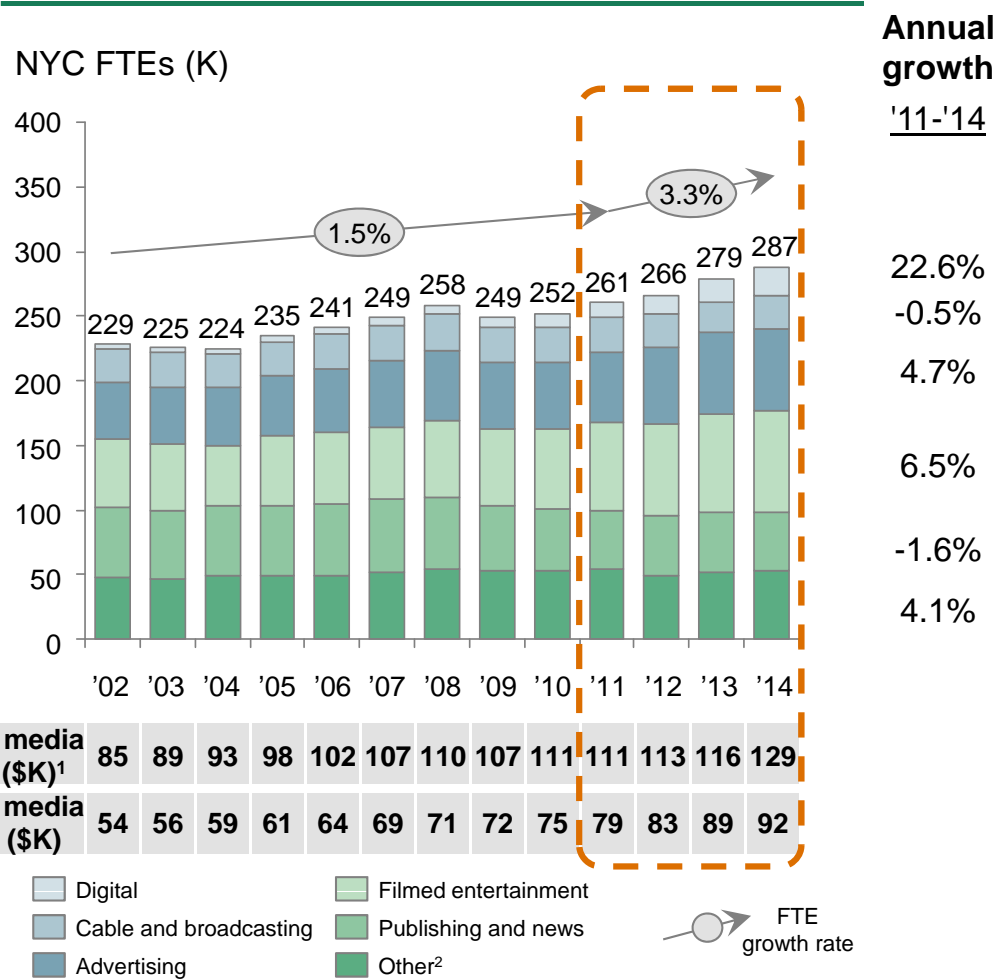
- Diversity in the US media industry

## 5 Positioning NYC for the future

# In aggregate, ~290k FTEs (full time equivalent jobs) employed across the media sector in NYC

NYC media sector has grown in terms of employment and salaries...

... with growth concentrated in three sectors



NYC media sector seeing strong growth in filmed entertainment, digital media, and advertising

Filmed entertainment continues to grow strongly, led by TV

NYC a significant center of digital media and entertainment employment

- Fueled by rising VC investments, and expansion of big tech presence e.g., Facebook, Twitter

Salaries continue to grow, with NYC significantly above national average in media industry

1. Digital media and entertainment not included in national/NYC salary data, as figures not available 2. Includes theater  
 Source: BLS data, BCG analysis  
 Media and Entertainment in NYC-Final.pptx

# Since 2011, NYC has generated 50% of US media sector employment growth

**US media sector has created ~50k jobs; ~25k (50%) in NYC ('11-'14)**

<b>% NYC jobs/total US jobs<sup>2</sup></b>	<b>2002</b>	<b>2011</b>	<b>2014</b>	<b>NYC job growth since '11</b>
Filmed ent.	11.2%	12.2%	14.0%	<b>21%</b>
Advertising	12.4%	13.0%	17.4%	<b>15%</b>
Broadcasting and cable	8.2%	10.5%	10.6%	<b>-1%</b>
Publishing and news	7.7%	9.5%	10.3%	<b>-5%</b>
<b>Total</b>	<b>9.4%</b>	<b>10.8%</b>	<b>12.5%</b>	
<b>Average US salary<sup>2</sup></b>	<b>54k</b>	<b>79k</b>	<b>92k</b>	
<b>Average NYC salary</b>	<b>85k</b>	<b>111k</b>	<b>129k</b>	

**Subsector shift has helped NYC overcome nationwide decline**

**Nationwide, media sector has shed jobs, while NYC continues to hire**

- NYC has gained share of US jobs across all sub-sectors

**Strong growth in TV generates consistent strength in filmed entertainment, despite variability in movie production**

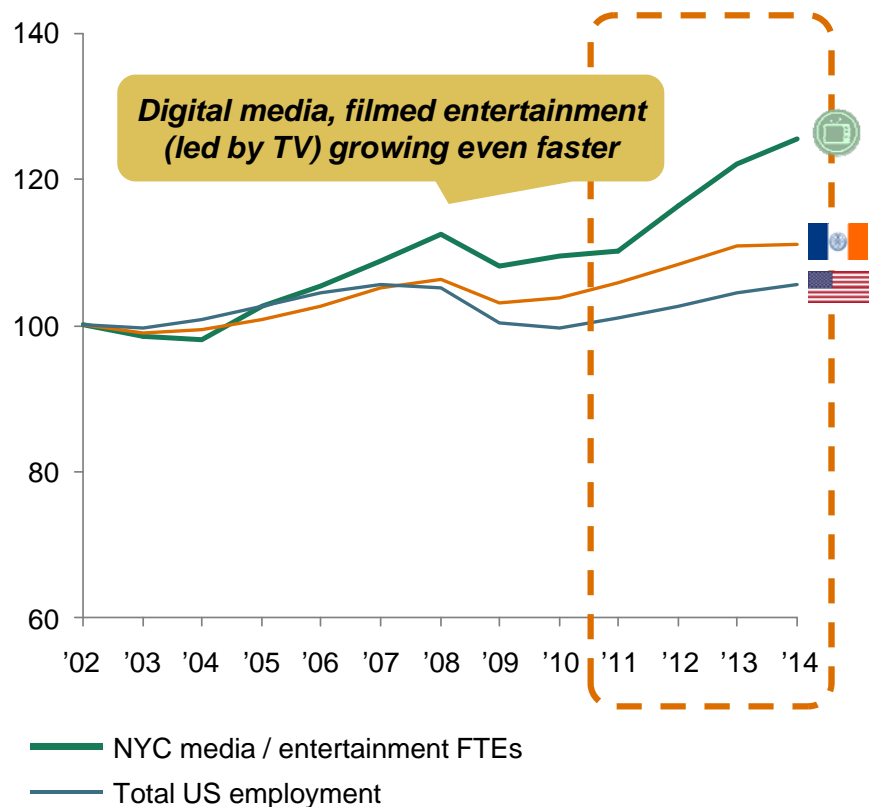
**Salary growth across all NYC media sectors, even in sectors that have cut jobs (e.g. print publishing)**

1. Using BLS data; BCG filmed entertainment model (using 2009 estimates – little change since) and focusing on refreshing extant views of data.  
 2. Digital media and entertainment not included here, as national figures not available




# NYC Media and entertainment growth outperformed US economy, overall NYC economy through the financial crisis

## NYC media sector outperformed NYC and US economies through the crisis...

FTEs (2002=100)



## ... losing fewer jobs in the downturn and growing more rapidly in recovery

	Jobs lost '08-'09	Job growth '11-'14
 <b>NYC media/entertainment</b>	-3% 10,000 FTE lost	<b>10%</b> 25,000 FTE
 <b>Total NYC economy</b>	-3% 110,000 FTE lost	5% 180,000 FTE
 <b>Total US economy</b>	-5% 6.2M FTE lost	5% 6.0M FTE

Source: BLS (unemployment rate, and employment numbers from QCEW – both for NYC only); BCG filmed entertainment model for filmed entertainment employment (within M&E).

# Industry leaders in media and entertainment have increasing awareness of diversity challenges across the US

Key challenges	Description
<b>Industry awareness/prioritization of the issue</b>	<b>Industry increasingly cognizant of the topic, but perceived urgency varies</b> <ul style="list-style-type: none"> <li>• Appetite strongest where tangible benefit is perceived – in quality/availability of content or talent, size of audience, or revenues                             <ul style="list-style-type: none"> <li>– e.g., shows like <i>Grey's Anatomy</i>, <i>Orange is the New Black</i>, that reflect the true heterogeneity of the population in the US</li> </ul> </li> </ul>
<b>Women and minority education and awareness</b>	<b>Relatively few diverse candidates entering the industry 'pipeline' - in film schools or entry level jobs</b>
<b>Mentors and network</b>	<b>Minorities, women less likely to have network and mentors to coach them in building their career</b>
<b>Financial constraints</b>	<b>Some skills e.g., writing, difficult to hone without access to financial resources, to provide support ahead of achieving regular employment in the industry</b>
<b>Risk aversion</b>	<b>Studios and networks increasingly taking fewer, larger bets on 'tentpole' productions – less likely to support someone with a less proven record, or to provide a second chance if the first project isn't a hit</b>
<b>Gaining entry to unions</b>	<b>Diversity relies on creating pathways to union membership</b>

# Multiple initiatives underway to address these challenges

## Key challenges

## Sample of actions/initiatives noted by industry experts across the US

**Industry awareness/prioritization of the issue**

**Women and minority education and awareness**

**Mentors and network**

**Financial constraints**

**Risk aversion**

**Gaining entry to unions**

- Most major media firms now include diversity as a key aspect of their **hiring process**, and track diversity **metrics** – but need to ensure diverse candidates advance up the ranks
- **Illinois tax credit** requires productions to actively consider diversity of BTL crews
- Increasing breadth of **publications** promoting the issue, e.g., in filmed entertainment:
  - Academia (UCLA, San Diego State University, Columbia)
  - Diversity groups (NALIP, NAACP, Milken Institute, GLAAD)
  - The press: Widespread commentary of diversity in awards nominees, winners
- MOME supporting Brooklyn College Film School, **recruiting a diverse student base**
- "Made In New York" **Production Assistant Training** Program
- **Outreach to school, college students**, to make them aware of career options they may not have considered, and provide guidance/role models for how to make it happen
- Franklin Leonard "**black list**", whereby scripts are submitted/selected from a repository – a "democratic" process, with equal access irrespective of industry contacts, race, gender
- Programs like Sundance women initiative fellowship, offering **mentorship** as part of award
- **Funding**, e.g., by minority-oriented entities like chicken and egg pictures. Can apply without having contacts/network. Provides **credibility** to filmmaker, in addition to financial support
- **Critical and financial success of projects** led by diverse individuals should ultimately erode this concern. Greater **diversity in the next generation** of media industry would also reduce the probability of future leaders perceiving enhanced risk in the first place
- Interviewees additionally suggested that **linking diversity to add-on tax credit** for productions could be an effective driver of change
- **Affirmative steps** (e.g., DGA's diversity committees) bringing greater diversity to the pipeline



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## 5 Positioning NYC for the future

# Multiple advantages of NYC for the Media and Entertainment industry...

## Longstanding center of gravity for multiple sub-sectors

- Strong communities in publishing, theatre, movies/TV, journalism, advertising, etc., hard to replicate elsewhere
- Broad range of sustainable career opportunities in each field, enabling deep base of strong talent to accumulate

## Revenue generation heartland for Silicon Valley tech, and stronghold for "New News" startups

- Home to sales, marketing teams of Facebook, Twitter, Google, as well as growing Engineering groups
- HQ for many of the most popular sources of content for millennials: HuffPo, Gawker, BuzzFeed, VICE, Tumblr

## Highly attractive place to live, especially for young professionals and creatives

- Acting talent, ATL and BTL all happy to live in NYC, or visit long-term for a production e.g., TV series
  - NYC one of only three cities (plus LA, London) where you can create a movie/show without bringing anyone in
- Eclectic 'scene' with ability to cross-pollinate e.g., between movies/TV, new media, Broadway

## Great support from city and state for filmed entertainment

- MOME help to facilitate the creative vision of Film/TV projects
  - Permits, advice on neighborhoods, communication of safety regulations, other guidance on filming in the city
- Tax credit instrumental in ensuring productions come to NYC for full production, rather than just exterior shots

*"Experience is vital – people come up through the ranks of the industry. NYC has always been the centre of the US advertising industry, therefore all the top talent is concentrated here"*

*"NYC's historic strengths in advertising and publishing makes it the obvious location for ad sales, and new media content creation"*

*"There are so many industries on top of each other – social circles span actors lawyers, bankers, ad executives, you name it. It makes NY a natural place for storytelling"*

*"NYC's crew base can support so many more shows; other cities are tapped out at 2 or 3"*

*"MOME provides a 'one stop shop', which has long been critical"*

*"Stability of the tax credit has been key; the post credit has been a great development – allows us to consider post in NYC, where we would previously always take it back to LA"*

# ...but a number of perceived challenges to work around or mitigate

## Rising cost of living and doing business in New York City, especially as the US economy recovers

- Need for affordable real estate options for businesses and individuals, especially in creative industries, startups
  - e.g., difficult to secure space in traditional locations for post production (SoHo), or casting directors (Midtown)

## Complexity of filming on location in a global metropolis

- The city is thriving, but this brings more congestion, makes it harder to find parking, space to film
- Increasing number of stakeholders controlling access to locations (conservancies, associations, alliances, etc.) – increases the importance of MOME's role as 'one stop shop'
- Dense population and traffic in NYC creates complexity for filming action sequences – movies typically film key scenes upstate, or move elsewhere

## Traditional business models for publishing and broadcast/cable being challenged

- Shift to digital/OTT networks well underway; revenues not yet keeping pace
- Responding to cost pressures by shedding jobs or moving non-core functions to cheaper locations

## Perception of being below 'critical mass' in select roles

- Writing jobs slow to move from LA; tax credit helping establish a bigger talent pool in post

"NYC real estate is an issue – hard to find places for people to live at reasonable rates"

"Post needs significant amounts of specialized space, in specific locations (western SoHo), but we're competing with all the other industries in NYC"

"The MOME provides tremendous value as a "one-stop-shop". This will be an increasing challenges for them with the city being so busy, with more stakeholders vying for space"













"A few years ago it was easy to find space for filming on an ad hoc basis e.g., empty warehouses. Now every inch of space is occupied"

"The genie's out of the bottle" in unbundling cable (and print) subscriptions. Digital-only subscriptions eroding traditional model. Surviving channels need more original to differentiate themselves, anchor audience"

"There is a perception that NYC lacks critical mass of episodic TV writers, or they need to be co-located with creative executives – but it is difficult for writers to oversee from afar; there's great value having them based in NYC, on set"





# Subsector-specific trends hold varying implications for NYC:




## Summary view

Subsectors	Overall outlook	Sector trends	NYC trends
 <b>Filmed entertainment</b>		<ul style="list-style-type: none"> <li>Overall growth due to strong increase in TV production</li> </ul>	<ul style="list-style-type: none"> <li>Benefiting from growth in TV, providing stable employment</li> </ul>
 <b>Theater</b>		<ul style="list-style-type: none"> <li>Revenues growing, audience expanding, thanks to new/varied content</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to benefit from strong industry and the tourism it draws</li> </ul>
 <b>Broadcast and cable networks</b>		<ul style="list-style-type: none"> <li>Industry evolving with increase in networks and distribution platforms</li> </ul>	<ul style="list-style-type: none"> <li>Shift in NYC-based corporate organizations: Increase in digital talent, reduction in support functions</li> </ul>
 <b>Publishing</b>		<ul style="list-style-type: none"> <li>Industry continues shift to digital</li> </ul>	<ul style="list-style-type: none"> <li>NYC expected to remain the home of the industry</li> </ul>
 <b>Advertising</b>		<ul style="list-style-type: none"> <li>Overall growth due to increased spending on digital ads</li> </ul>	<ul style="list-style-type: none"> <li>Consolidation of industry benefits major agencies, headquartered in NYC</li> </ul>
 <b>Digital media/tech</b>		<ul style="list-style-type: none"> <li>Industry growing strongly, with increased access to capital</li> </ul>	<ul style="list-style-type: none"> <li>NYC tech scene capturing increasing share of capital, and talent base growing</li> </ul>

# Subsector-specific trends hold varying implications for NYC (I)





## Detailed view




Subsectors	Overall outlook	Sector trends	NYC trends
 <p><b>Filmed entertainment</b></p>		<ul style="list-style-type: none"> <li>✓ Rapid growth in spending on high quality TV productions</li> <li>✓ Diversification in the number of TV networks commissioning content</li> <li>✓ Increase in post production – visual effects used in almost all movies</li> <li>✓ TV series increasingly 8-12 vs. traditional 22 episodes</li> <li>✓ Fewer but larger major studio movies (shift to budgets &gt;100m)</li> <li>– Reduction in mid-size movies (\$50-\$100M budget)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Boom in scripted television in NYC</li> <li>✓ Crews able to work back-to-back</li> <li>✓ Growth in post production work in NYC due to tax credit and increased VFX in TV</li> <li>✓ Strong support from the city</li> <li>– Variability in major movies, due to there being fewer but larger productions, and constraints to studio space/stunts</li> <li>– Strong need for improved internet bandwidth, affordable real estate for post production</li> </ul>
 <p><b>Broad-casting and cable networks</b></p> <ul style="list-style-type: none"> <li>• Headquarters and news only</li> </ul>		<ul style="list-style-type: none"> <li>✓ Content continues to be "king"</li> <li>✓ Proliferation of distribution platforms</li> <li>– OTT/New media business models still evolving</li> <li>– OTT networks based on West Coast</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increased content production in NYC</li> <li>✓ NYC based networks evolving to reflect new market realities</li> <li>✓ Increasing shift toward hiring digital talent</li> <li>– Relocation of support functions out of NY</li> </ul>

 Positive trend
  Emerging opportunity
  Challenge to NYC

# Subsector-specific trends hold varying implications for NYC (II)





## Detailed view




Subsectors	Overall outlook	Sector trends	NYC trends
 <p data-bbox="155 581 300 618">Theatre</p>		<ul style="list-style-type: none"> <li>✓ Expanding audience, rising prices increasing gross receipts</li> <li>✓ Content, talent overlap with filmed entertainment helping to attract new demographics</li> <li>✓ Increasing use of digital/special effects in big-budget shows</li> </ul>	<ul style="list-style-type: none"> <li>✓ Broadway remains premiere theatre center in US</li> <li>✓ City benefits from Broadway tourism</li> <li>✓ Increasing use of limited runs lets film, TV stars do theatre</li> <li>– Challenged by availability of digital talent, esp. in marketing</li> </ul>
 <p data-bbox="128 948 327 985">Publishing</p>		<ul style="list-style-type: none"> <li>✓ Digital publishing driving sales growth</li> <li>✓ Print titles remain the most trusted content, even online</li> <li>✓ Growth to occur via digital acquisition</li> <li>– Print subs reducing to smaller core</li> </ul>	<ul style="list-style-type: none"> <li>✓ NYC will remain the US headquarters for publishing industry</li> <li>✓ Digital publishing start-ups also concentrated in NYC</li> <li>✓ Incubators e.g., DUMBO, Techstars fueling future growth</li> <li>✓ Traditional talent transition to digital</li> </ul>

 Positive trend
  Emerging opportunity
  Challenge to NYC

# Subsector-specific trends hold varying implications for NYC (III)

Detailed view

Subsectors	Overall outlook	Sector trends	NYC trends
 <p data-bbox="121 670 331 703"><b>Advertising</b></p>		<ul style="list-style-type: none"> <li>✓ Strong growth in digital</li> <li>- TV, print spending flat or slightly declining</li> <li>✓ Clients increasingly seeking holistic offering, spanning traditional <u>and</u> digital</li> <li>✓ Major agencies actively expanding digital offering, both via acquisition and internal expansion</li> </ul>	<ul style="list-style-type: none"> <li>✓ Strong employment growth in digital</li> <li>✓ Creative teams evolving their offering e.g., to include Vine videos as well as 30-spot TV commercials</li> <li>✓ Major NYC agencies benefitting from clients' preference for single holistic partner, vs. multiple specialists</li> <li>✓ Specialist startups in NYC (e.g., programmatic buying) benefit from NYC ecosystem, and have strong exit opportunities via acquisition</li> </ul>
 <p data-bbox="121 1125 331 1239"><b>Digital media and entertainment</b></p>		<ul style="list-style-type: none"> <li>✓ Decreased capital requirements</li> <li>✓ Easier technology access</li> <li>✓ Strong funding and exit opportunities (VC investment, IPOs, acquisitions)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Major presence of big tech, attracting increasing numbers of engineering talent to NYC</li> <li>✓ Media start-ups booming</li> <li>✓ Growing talent base; continued need for engineers as startups scale up</li> <li>✓ Increasing importance of close links with top educational institutions e.g., Carnegie Mellon, to attract talent to NYC</li> </ul>

 Positive trend 
  Emerging opportunity 
  Challenge to NYC



# Key suggestions for attracting and assisting filmed entertainment productions in NYC

## Improving ease of filming in NYC



**Boost MOME resources for permits and community relations**

**Maintain and expand strong relationships with key city organizations, even as the number of stakeholders increases**

- e.g., NYPD, Buildings, Parks, Education, FDNY

**Explore ideas to alleviate constraints**

- e.g., on-location parking, parking lots, shuttles

## Helping to reduce production costs



**Work with state to maintain stability of tax credit for productions/post**

- Consider other incentives to encourage business

**Work with studios to negotiate industry rates for hotels**

## Enhancing community relations



**Increase community engagement to keep a 'finger on the pulse' in the city and better address complaints**

**Explore ways to support local businesses**

- e.g., encourage crews to eat at local establishments

## Attracting more productions to NYC



**Monitor growth in stage capacity**

- Ensure capacity meets rising production needs, for film and TV

**Assist in post facilities gaining access to real estate, high speed internet**

**Provide real estate/housing opportunities for talent**

**Continue to ensure NYC talent grows to meet demand, and reflects diversity of the city**

**Showcase NYC facilities to network and studio executives**

**Ongoing dialog with industry stakeholders important to gather ideas and feedback**





Thank you

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