

Economic Impacts of *The Bold Type*

Prepared for the Motion Picture Association – Canada

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INTRODUCTION

The television series *The Bold Type* first aired on June 20, 2017 on Freeform. The series tells the story of three young women living in New York City and working at a global women’s interest magazine called *Scarlet*. The series is inspired by Joanne Coles, the former editor in chief of *Cosmopolitan* magazine.¹ The series has been renewed for two additional seasons by Freeform.²

Table 1 summarizes the premiere dates and number of episodes for *The Bold Type*.

Table 1: *The Bold Type* Production Pattern³

	Season One	Season Two	Season Three
Premiere Date	June 20, 2017	June 12, 2018	TBA
Number of Episodes	10	10	10

Source: NBCUniversal

The Bold Type pilot was filmed in Toronto, Ontario, however the remainder of the series has primarily filmed in and around Montreal, Québec, creating significant economic impacts for Québec residents and businesses.

STUDY PURPOSE

MNP LLP (MNP) was engaged by the Motion Picture Association – Canada to conduct an independent economic impact assessment of the production of the series *The Bold Type* on the Québec economy. For the study, MNP used data from NBCUniversal to estimate the economic impacts that occurred during Season One of production.

¹ Retrieved from: <http://ew.com/recap/the-bold-type-series-premiere/>

² Retrieved from: <https://freeform.go.com/shows/the-bold-type/news/the-bold-type-officially-renewed>

³ Retrieved from: http://www.imdb.com/title/tt6116060/episodes?season=1&ref_=tt_eps_sn_1

SEASON ONE PRODUCTION SPENDING

Season One production spending engaged approximately 496 vendors from 70 communities across Québec (Table 2). Thirty eight of these communities are located within Greater Montreal, while the remaining 32 include communities from other regions of Québec. Production of Season One required the engagement of a wide variety of Québec vendors, including retailers, production facilities, security services, equipment rental companies, dry cleaners, hotels and restaurants, catering companies, automobile rental companies, alteration and repair services, and hair and make-up services.⁴

Table 2: Season One Québec Vendor Data

Vendors	Number
Québec Businesses	310
Québec Individuals	186
Total Number of Vendors	496
Communities	
Greater Montreal	38
Other regions of Québec	32
Total Number of Communities	70

Source: NBCUniversal

As shown in Table 3, the Season One production of *The Bold Type* resulted in total spending in Québec of \$19.9 million. Québec production crew and other labour received 57 percent of the total Québec expenditures, while the remaining 43 percent was spent on purchases of Québec goods and services.

Table 3: Season One Production and Post-Production Expenditures in Québec

	Expenditures (in millions)	Share of Expenditures
Québec Production Crew and Qualifying Labour ⁵	\$11.3	57%
Québec Purchases (Spending on Goods and Services)	\$8.6	43%
Total Québec Spending	\$19.9	100%

Source: NBCUniversal

⁴ Based on vendor data provided by NBCUniversal.

⁵ Please note that the analysis excludes production spending on non-resident labour.

ECONOMIC IMPACTS OF SEASON ONE PRODUCTION SPENDING

Using Statistics Canada’s input-output multipliers for Québec and the Season One production expenditure data provided by NBCUniversal, MNP estimated the total economic impacts (i.e. direct, indirect and induced) in Québec arising from the \$19.9 million in production spending for Season One. The results of this analysis are presented in Table 4. For more information on economic impact measures and the methodology used, please see Appendix A.

Table 4: Estimated Economic Impacts of Season One Production Spending in Québec

	Production Impacts
Direct Production Expenditure in Québec (in millions)	\$19.9
Total Output (in millions)	\$35.3
Total GDP (in millions)	\$24.4
Total Employment (in full-time equivalent positions or FTEs⁶)	356

ECONOMIC IMPACTS OF TOTAL PRODUCTION SPENDING

Assuming that the level and pattern of production spending over Season One of *The Bold Type* remain similar across Season Two and Three, the estimated economic impacts generated over the life of the series (i.e., Seasons One through Three) could be expected to total roughly three times that from Season One. These impacts are presented in Table 5.

Table 5: Estimated Economic Impacts of Seasons One through Three Production Spending in Québec

	Production Impacts
Direct Production Expenditure in Québec (in millions)	\$59.6
Total Output (in millions)	\$105.7
Total GDP (in millions)	\$73.0
Total Employment (in FTEs)	1,067

⁶ One FTE is equivalent to one person-year of employment.

COMPARISONS WITH OTHER INDUSTRIES

To provide perspective on the size of the economic impacts of the production of *The Bold Type*, it is useful to compare the impacts with those created by other industries. Three examples of other industries are new home construction, overnight visitors and cruise ship sailings.

- **New Home Construction** – The employment supported by the Season One production of *The Bold Type* is equivalent to the direct and indirect employment supported by the construction of approximately 186 new homes in Quebec.⁷ The employment supported over Seasons One through Three of production is equivalent to that supported by the construction of about 557 new homes.
- **Tourism/Overnight Visitors** – The employment supported by production spending on Season One is equivalent to the employment supported by the spending of about 80,000 overnight visitors to Montreal. Season One through Three production spending supported the same employment as the spending of about 243,000 overnight visitors to Montreal.⁸
- **Cruise Ship Sailings** – Quebec has an active cruise ship industry, with cruise ship calls made at the Ports of Montreal, Quebec, Saguenay and other ports of Quebec. Each call involves local spending by passengers and crew members, as well as substantial spending by cruise line operators. The employment supported by production spending on Season One is equivalent to the employment supported by about 32 cruise ship calls in Quebec.⁹ The employment supported over Seasons One through Three of production is equivalent to the employment supported by about 96 cruise ship calls in Quebec.

ADDITIONAL IMPACTS

In addition to economic impacts that arise through production spending, television series such as *The Bold Type* can produce impacts that result from infrastructure spending, film induced tourism and personal spending by non-resident labour.

- **Infrastructure Impacts** – Infrastructure spending includes expenditures associated with production facilities and equipment. While the economic impacts of infrastructure spending have not been assessed in this report, it is important to note that the impacts can be significant.
- **Film Induced Tourism Impacts** – Film induced tourism (FIT) is the phenomenon of films and television programs encouraging viewers to visit the country or region where filming occurred.¹⁰ FIT and its related tourism concepts, which include the effects of TV, films, movies and media culture, have increasingly been viewed as an important component of tourism marketing. Television series are especially likely to reach much larger audiences than specifically targeted tourism promotion.¹¹
- **Personal Spending by Non-resident Labour while in Québec** – This may include spending by non-resident labour on vacations or other personal purchases while on location in Québec.

While we have not quantified the broader benefits of the production of *The Bold Type* in this study, it is worth noting that television production can also generate additional economic, community and social benefits. These may include the creation of opportunities for trainees or interns, the development of business partnerships, the creation of spin-off companies, and contributions to community and culture.

⁷ Will Dunning Inc., *Economic and Fiscal Impacts of Residential Construction – 2016*. Retrieved from: http://www.chba.ca/CHBA/Housing_in_Canada/Information_and_Statistics/impacts/1%20Quebec%20Economic%20Impacts%20of%20New%20Home%20Construction%202016.pdf

⁸ Tourisme/Montreal, *Annual Report 2016*.

⁹ Business Research and Economic Advisors (BREA), *International Cruise Industry in Canada 2016*

¹⁰ Oxford Economics, *The Economic Impact of the UK Film Industry, 2007*.

¹¹ Croy, Glen W, *The Lord of the Rings, New Zealand, and Tourism: Image Building with Film, 2004*.

APPENDIX A – ECONOMIC IMPACT METHODOLOGY

The main goal of an economic impact study is to quantify the economic contributions that an organization, industry, or project makes to a region.

MNP estimated the economic impact of the production of *The Bold Type* using the 2013 Statistics Canada provincial input-output multipliers for Québec (the latest multipliers available). Statistics Canada's input-output model is the most widely used system for measuring economic impacts in Canada, and provides a measure of the interdependence between an industry and the rest of the economy. The provincial economic multipliers show the direct, indirect and induced effects on economic metrics, and can be used to measure the quantitative impact of a change in the production or expenditure of a particular industry.

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, GDP and employment:

- **Output** – the total gross value of all business revenue. This is the broadest measure of economic activity.
- **Gross Domestic Product (GDP)** – the “value added” to the economy (the unduplicated total value of goods and services).
- **Employment** – the number of jobs created or supported (in full-time equivalents or FTEs¹²).

Economic impacts may be estimated at the direct, indirect and induced levels:

- **Direct impacts** are due to changes to front-end businesses that receive expenses or operating revenue as a direct consequence of the activities of an industry or project.
- **Indirect impacts** are due to changes in the activity of suppliers of the front-end businesses.
- **Induced impacts** are due to shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

In this analysis, MNP estimated the impact on the Québec economy of a set of direct expenditures related to the filming of Season One of *The Bold Type*. The television series, like other productions, has an amount of direct expenditure, which in turn stimulates so-called indirect impacts across the industry supply chain. These expenditures also create or support jobs, as firms add or retain labour to meet rising demand. This, in turn, raises incomes and stimulates what are known as induced impacts, as higher incomes flow through to consumption. The total economic impact of the production spending is the sum of each of these direct, indirect and induced impacts.

¹² One FTE is equivalent to one person-year of employment.