Economic and Fiscal Impact

MOTION PICTURE PRODUCTION TAX CREDIT, FY 2023-FY 2024

February 2025

PREPARED FOR:

Louisiana Entertainment
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LOUISIANA ENTERTAINMENT
A Division of Louisiana Economic Development

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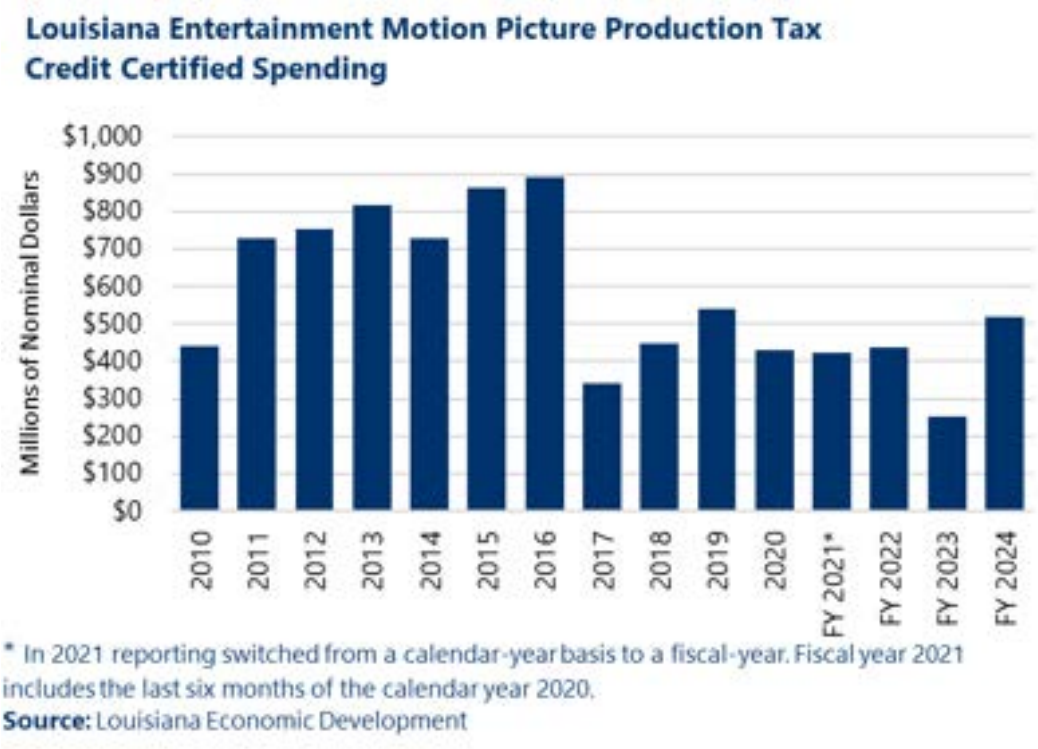
INTRODUCTION

This report aims to quantify the economic and fiscal impacts generated by the Motion Picture Production Tax Credit administered by the Office of Entertainment Industry Development (OEID) within the Louisiana Department of Economic Development (LED). As required by LA RS 47:6007(D)(6), LED provides a biennial review of the economic and fiscal impacts of these credits and has retained Camoin Associates to complete this review for the 2023 and 2024 fiscal years.

History of the Louisiana Motion Picture Production Tax Credit

The Motion Picture Production Tax Credit was first implemented in 1992 and expanded ten years later. Today, due to changes made in the 2024 3rd Extraordinary Session of the Louisiana Legislature, LED can issue a maximum of $125 million of credits per fiscal year. Up to $125 million of credits can be claimed or redeemed at the Louisiana Department of Revenue. The program provides up to a 40% tax credit, which includes a 25% base credit, a 10% increase for Louisiana screenplay productions, and a 5% increase if the production is outside of the New Orleans MSA. There is also an additional 15% credit provided on the Louisiana resident payroll. There is a $50,000 minimum in-state expenditure requirement for Louisiana screenplay productions and a $300,000 minimum for all other productions.

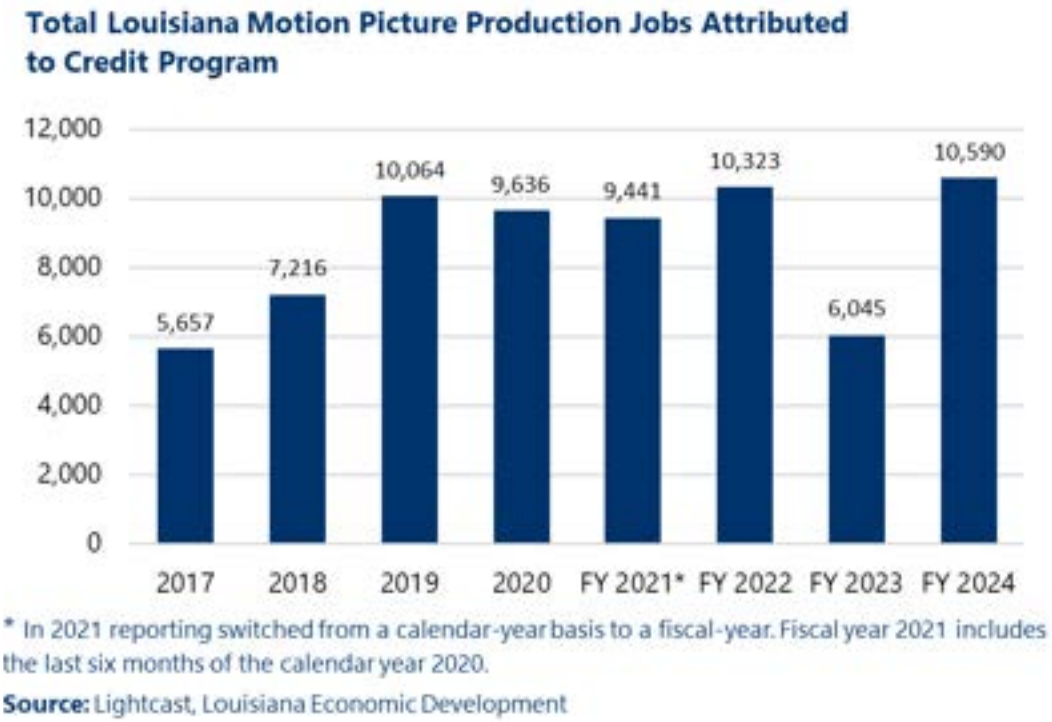
Figure 1



* In 2021 reporting switched from a calendar-year basis to a fiscal-year. Fiscal year 2021 includes the last six months of the calendar year 2020.
Source: Louisiana Economic Development

Spending grew from 2017 to 2019, then fell in calendar year 2020 and fiscal year 2021 due to the pandemic. Spending increased in FY 2022 before once again dropping off in FY 2023. In FY 2024 spending increased nearly doubling FY 2023 spending. The decline in FY 2023 spending and jobs may have been influenced by the five-month Screen Actors Guild – American Federation of Television and Radio Artists (SAG-AFTRA) strike. As a result of the statutory changes in 2017, some productions reported higher spending than was certified. These productions were only able to receive credits equal to the statutory cap. In other words, they spent more in Louisiana but did not receive additional credits beyond the statutory maximum.

Figure 2









Source: Louisiana Economic Development

Methodology

Louisiana Entertainment, a division of Louisiana Economic Development, administers the Motion Picture Production Tax Credit Program. In addition, the total certified spending and payroll amounts are verified by an independent certified public accountant (CPA) that is assigned by LED before any credit is issued by LED. The total Louisiana spending and earnings were provided to Camoin Associates by the program for projects with credits certified in FY 2023 and FY 2024. The data that is being analyzed is actual spending that was verified by the independent CPA and credits issued by LED based upon the date of final certification within the time periods being reported. Furthermore, the spending that was certified in these fiscal years actually occurred at some point prior to final certification.

Camoin Associates employed the following methodology to calculate the economic impact of the Louisiana Motion Picture Production Tax Credit Program. *This impact analysis report does not take into consideration any decrease in state funding for other programs or public services.*

1. **Calculate total direct spending and earnings**: The first step is to identify the total amount of spending occurring and earnings generated in Louisiana as a result of the tax credit program — these figures were used as the direct input into the model. This information was provided by Louisiana Entertainment and reviewed by Camoin Associates. For purposes of this analysis, it is assumed that 100% of the spending and earnings are net new to Louisiana's economy, and without the credit program, this spending would not occur.
2. **Model industry activity:** In order to model the economic impact of the tax credits, it is important to accurately model the industries in which this activity is taking place. This analysis uses the direct spending and earnings identified in Step 1 and distributes it among two major six-digit NAICS industries covering Louisiana's motion picture production industry. The NAICS codes used in this analysis are not an exhaustive list but generally represent the dominant industries within Louisiana's greater film production ecosystem and accurately reflect the industries where the tax credits will have the strongest impact.
3. **Model economic impacts:** Using the total sales and earnings figures as inputs, we modeled the indirect impacts—in terms of jobs, earnings, and sales—of the tax credits on the state of Louisiana. Lightcast's modeling software provided the economic multipliers.
4. **Model fiscal impacts:** Local and state tax revenues resulting from economic activity associated with the tax credits were then estimated based on the results of the economic impact analysis.

Modeling Software

Lightcast designed the input-output model used in this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the state of Louisiana and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate through the study area's economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Appendix A for more information on economic impact analysis.

What does "Net New" Mean?

When looking at the economic impacts of this program, it's important to look only at the impacts of the program and highlight the economic changes that have happened as a result of the certified spending in the fiscal year under review. These impacts are considered "net new" as the jobs supported, business sales and household earnings are the direct result of the certified spending.

Definition of a "Job"

A "job" is equal to one person employed for some amount of time (part-time, full-time, or temporary) during FY 2023 or FY 2024. For example, if a person is employed full-time in FY 2023 and FY 2024 that would be considered two jobs. Another example, if one person is employed part-time for four months, then takes two months off and is hired again for four months that would be considered two jobs.

The information must be calculated in this way due to the manner in which the job information is reported by the Quarterly Census of Employment and Wages (QCEW), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA). The information is provided by the employers to the government in terms of total jobs, not by total number of total full-time equivalents (FTE).

ECONOMIC IMPACT ANALYSIS

Table 1 highlights the total certified spending by program applicants and earnings for fiscal years 2023 and 2024 related to the Motion Picture Production Tax Credit Program, as documented in tax credit applications and provided by Louisiana Entertainment. In total, credit-eligible projects accounted for over $250 million in spending in FY 2023, and more than $500 million in FY 2024. Additionally, these projects generated nearly $93 million in earnings in FY 2023, while the earnings generated in FY 2024 were approximately $165 million.

Table 1

Total Certified Spending and Earnings
Motion Picture Production

Period	Spending	Earnings
FY 2023	$253,240,005	$93,274,764
FY 2024	$518,296,800	$164,807,536

Source: Louisiana Economic Development

The total annual spending and earnings figures shown in Table 1 were used as the direct inputs in the model to generate the total impacts in terms of new sales, jobs, and earnings.

Total Motion Picture Production Industry Impact Analysis

Economic Impact – FY 2023

As shown below, the Louisiana Motion Picture Production Tax Credit Program resulted in over $250 million in new indirect and induced sales in FY 2023, adding to the total of $497 million in new spending. This spending supported **over 6,000 jobs**, including over 3,000 direct jobs, as well as over **$215 million in earnings**.

Economic Impact – FY 2024

For FY 2024, Louisiana's Motion Picture Production Program resulted in over $490 million in new indirect and induced sales in FY 2024, adding to the total of more than $1 billion in new spending. This spending supported **10,590 jobs**, as well as around **$374 million in earnings**.

Table 2

Economic Impact of Motion Picture Production

	FY 2023			FY 2024		
	Sales	Jobs	Earnings	Sales	Jobs	Earnings
Direct	$253,240,005	3,074	$93,274,764	$518,296,800	5,587	$164,807,536
Indirect	$126,547,939	1,774	$63,405,644	$245,119,893	2,940	$106,967,831
Induced	$118,076,741	1,197	$58,349,725	$242,667,911	2,063	$102,257,244
Total	**$497,864,685**	**6,045**	**$215,030,133**	**$1,006,084,604**	**10,590**	**$374,032,611**

Source: Louisiana Economic Development, Camoin Associates, Lightcast

FISCAL IMPACT ANALYSIS

Beyond the economic impacts calculated above, the motion picture production industry also has fiscal impacts that result from increased economic activity and accrue in the form of additional tax revenue. The following section calculates the fiscal impact and the return on investment of the Motion Picture Production Tax Credit Program.

Impacts on State and Local Revenue

Impacts on State Revenue

Table 3 calculates the state revenue that is generated as a result of the Motion Picture Production Tax Credit Program's economic activity. It is estimated that approximately 8.7% of worker earnings are paid to the state as taxes.[1] Using total new earnings calculated above and applying 8.7%, over $18.7 million in new state revenue was generated in FY 2023 while revenue generate in 2024 was approximately $32.5 million.

Table 3

Fiscal Impact of the Motion Picture Production Tax Credit Programs on State Revenue

	FY 2023	FY 2024
Total New Earnings	$215,030,133	$374,032,611
State Revenue Generated from Earnings	8.7%	8.7%
Total New State Revenue	**$18,707,622**	**$32,540,837**

Source: State of Louisiana, Camoin Associates

Impacts on Local Revenue

Table 4 calculates the amount of tax revenue that local agencies received in FY 2023 and FY 2024. As a result of the economic activity generated by the Motion Picture Production Tax Credit Program. Camoin Associates calculated the proportion of motion picture industry spending associated with credit-eligible projects (total sales figures from Table 2) relative to total sales across all industries in FY 2022 and FY 2023 (the most recent years for which data were available).[2] These percentages were then applied to Louisiana's total local tax collections in FY 2022 and FY 2023 (the most recent years



Source: Louisiana Economic Development

[1] As determined in the 2023 study, *Economic and Fiscal Impact of Louisiana Entertainment Tax Credits* conducted by Camoin Associates with Louisiana Entertainment. Camoin Associates worked with the state to determine the portion of workers' earnings that generate revenue for Louisiana.

[2] This is a slight change from previous reports that used total sales numbers from the most recent year to calculate the % of sales for both FY 2023 and FY 2024. Due to improved data availability, however we are now able to match the total sales years with the tax collection years, better aligning the timing of our data inputs.

available) to determine the portion of tax collections attributable to the Motion Picture Production Tax Credit Program.

This methodology is based on the assumption that the share of credit-related industry spending relative to the total state sales activity is approximately equal to the share of local tax collections attributable to the tax credit program. In other words, the motion picture production industry activity makes up a certain percentage of the state's total economic activity, and therefore, the entertainment industry accounts for a similar percentage of the local jurisdictions' revenue.

In total, the Motion Picture Production Tax Credit Program resulted in around $11.5 million in new local tax revenue in FY 2023, while local revenue for FY 2024 was approximately $24.1 million.

Table 4

Fiscal Impact of the Motion Picture Production Tax Credit Programs on Local Revenue

	FY 2023		FY 2024	
Total New Sales Attributable to Program	$497,864,685		$1,006,084,604	
Total State Sales: FY 2022 | FY 2023	$622,364,835,998		$643,052,305,992	
% of All Sales	0.08%		0.16%	
	Total Public Collections (FY 22)	**Tax Generated (0.08%)**	Total Public Collections (FY 23)	**Tax Generated (0.16%)**
Local Revenue	$14,416,529,231	**$11,532,594**	$15,390,881,259	**$24,079,734**

*Total local revenue estimated based on 2021 Census figures comparing state revenue to local revenue in Louisiana.

Note: Tax Generated calculated as Total Public Collections x % of All Sales for individual programs.

Source: Lightcast, State of Louisiana, U.S. Census, Camoin Associates

Total Impact on Public Revenue

Combining the state revenue and local revenue calculated above, Table 5 shows the total impact of the entertainment tax credit programs on public revenue streams.

Table 5

Total Impact of the Motion Picture Production Tax Credit Program on State and Local Revenue

	FY 2023	FY 2024
New State Revenue	$18,707,622	$32,540,837
New Local Revenue	$11,532,594	$24,079,734
Total New Public Revenue	**$30,240,216**	**$56,620,571**

Source: Camoin Associates

Return on Investment

The State is essentially investing in the motion picture production industry in Louisiana through the use of the tax credit program. When considering the return on that investment, there are several ways to look at it, including direct new state and local tax revenue generated by the industry and additional sales/earnings in the state that are attributable to the program. The following tables show the impact of the Motion Picture Production Tax Credit Program on the state's finances, overall state resident earnings, and industry sales.[3]

Additional Public Revenue per Dollar of Tax Credit

State and Local Tax Revenue

As calculated in the previous section, the Motion Picture Production Tax Credit Program generated more than $30 million in additional state and local tax revenue in FY 2023 and nearly $57 million in FY 2024. With over $82 million in credits certified in FY 2023, and around 142.4 million in FY 2024 this means that the return on investment for the motion picture production program was approximately 0.37, or about 37 cents in tax revenue for every dollar of the tax credit, in FY 2023 and 40 cents in FY 2024. This ratio only considers the tax revenue generated and must be understood in terms of the jobs, wages, and economic activity associated with the tax credits. Additionally, this type of analysis is based on the best available data and readers should expect a slight margin of error in the return on investment (ROI) of approximately 10%+/-.

Table 6

Return on Investment of the Motion Picture Production Tax Credit Program – State and Local Tax Revenue

	FY 2023	FY 2024
State and Local Tax Revenue	$30,240,216	$56,620,571
Credits Certified	$82,395,526	$142,403,573
Return on Investment	**$0.37**	**$0.40**

Source: Camoin Associates

State Tax Revenue

Louisiana's state government issues tax credits and bears the cost of doing so. Therefore, a more conservative calculation of the program's return on investment excludes local tax revenue collected due to the program. The Motion Picture Production Tax Credit Program generated over $18 million in additional state tax revenue in FY 2023 and more than $142 million in FY 2024. This means that for both years, the return on investment for the motion picture production program was approximately 0.23, or about 23 cents in tax revenue for every dollar of the tax credit. Again, this is a conservative calculation based only on state tax revenue generated and the recognition that the state covers the cost of the credits issued.

[3] Because the state typically appropriates all available state general funds each year, the return on investment in Tables 6 and 7 denotes a maximum value due to the balanced budget requirement in state government. Under a balanced budget constraint, funds that are spent on the incentive generating a positive multiplier impact are no longer spent elsewhere in the budget, implying a negative multiplier impact in the state that could offset this return calculation.

Table 7

Return on Investment of the Motion Picture Production Tax Credit Program – State Tax Revenue

	FY 2023	FY 2024
State Tax Revenue	$18,707,622	$32,540,837
Credits Certified	$82,395,526	$142,403,573
Return on Investment	**$0.23**	**$0.23**

Source: Camoin Associates

Dynamic Impact of Program on Statewide Earnings and Sales

As shown in the Economic Impact Analysis, the Motion Picture Production Tax Credit Program resulted in new earnings and sales for residents and businesses in Louisiana. The following table calculates how the credits issued resulted in economic activity in the state. Specifically:

- For every one dollar of credits certified, there were an additional $2.61 in earnings in FY 2023 and $2.63 in FY 2024.
- For every one dollar of credits certified, there were an additional $6.04 in sales in FY 2023 and $7.07 in FY 2024.

Table 8

Dynamic Impact of the Motion Picture Production Tax Credit Program on Earnings and Sales

Additional Resident Earnings		
	FY 2023	FY 2024
Total Earnings	$215,030,133	$374,032,611
Total Credits Certified	$82,395,526	$142,403,573
Tax Credit Multiplier on Earnings	**$2.61**	**$2.63**
Additional Statewide Sales		
	FY 2023	FY 2024
Total Sales	$497,864,685	$1,006,084,604
Total Credits Certified	$82,395,526	$142,403,573
Tax Credit Multiplier on Sales	**$6.04**	**$7.07**

Source: Camoin Associates

ATTACHMENT A: ECONOMIC IMPACT ANALYSIS EXPLAINED

An economic impact analysis describes how "new" money entering a region influences the local economy. This "new" money can be generated in two ways:

1. When an industry, event, or policy brings new revenue into the region that would otherwise not exist.
2. When an industry, event, or policy retains revenue that would have otherwise left the region.

Economic impact analyses can also assess the negative economic implications of "losing" a particular business, industry, or attraction, which results in money leaving the region.

Economic impacts do not occur when spending simply shifts from one business or industry to another because of a new facility. For example, town residents attending a game at a new football stadium instead of going to the local movie theater will not generate a new economic impact. However, if town leaders decide to host a concert series at the new football stadium, new visitation and spending related to the concert series would create an economic impact.

Understanding Economic Impacts

Economic impacts are typically broken down into direct, indirect, and induced effects.

Direct Effects are the new activities under investigation.

- Example: The sale of RVs from a new manufacturer in Elkhart, IN, to the rest of the country

Indirect Effects reflect the extent of local supply chains for the activity being analyzed.

- Example: The steel, tires, and cabinets purchased by the RV manufacturer in Elkhart, IN, from local suppliers, the purchases made by those suppliers from their local suppliers, and so on

Induced Effects represent the actions of employees who are supported by direct and indirect activities.

- Example: An employee who works for the RV company's primary tire supplier in Elkhart, IN, purchases groceries at the local supermarket.

Traditionally, the three types of effects are evaluated in terms of jobs, labor income or earnings, industry output or sales, and value-added or gross regional product. The sum of the direct, indirect and induced effects is equal to the total economic impact.

Estimating Economic Impacts

An input-output (I-O) model is used to estimate these effects. In the US, I-O models are derived from the Bureau of Economic Analysis' National Income and Product Accounts. These accounts provide the economic "recipe" each industry follows to produce its output. This includes the value of inputs purchased from other industries, as well as the contributions of labor, taxes paid, and a measure of profits.

I-O models also capture household spending patterns. All of these inputs are adjusted for each study area based on the estimated portion of goods and services that businesses and households purchase from local suppliers. Adjustments are also made for in-commuting by workers who then take their earnings home and spend them outside the region.

The resulting "multipliers" show, for each direct dollar spent in the region, how many additional dollars (or cents) are generated at local suppliers (indirect) and providers of goods and services to households (induced). For example, suppose an industry has a multiplier of 2.5, for every positive or negative change to that industry. In this case, the total effect on the regional economy will be 2.5 times the original change.

Benefits of an Economic Impact Analysis

Economic impact analysis is a flexible tool that can be used to quantify the benefit/cost of a particular project, asset, or industry. To yield the most accurate results, studies of this nature rely heavily on high-quality data and research-based assumptions. A well-crafted economic impact analysis can be used by governments, businesses, and organizations to clearly tell a story about how a specific change will affect a given economic environment.

ATTACHMENT B: DATA SOURCES

Lightcast (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. Click to learn more.

ABOUT CAMOIN ASSOCIATES

As the nation's only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on LinkedIn, Facebook, and YouTube.

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Economic and Fiscal Impact

MUSICAL AND THEATRICAL PRODUCTION INCOME TAX CREDIT, FY 2023-FY 2024

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INTRODUCTION

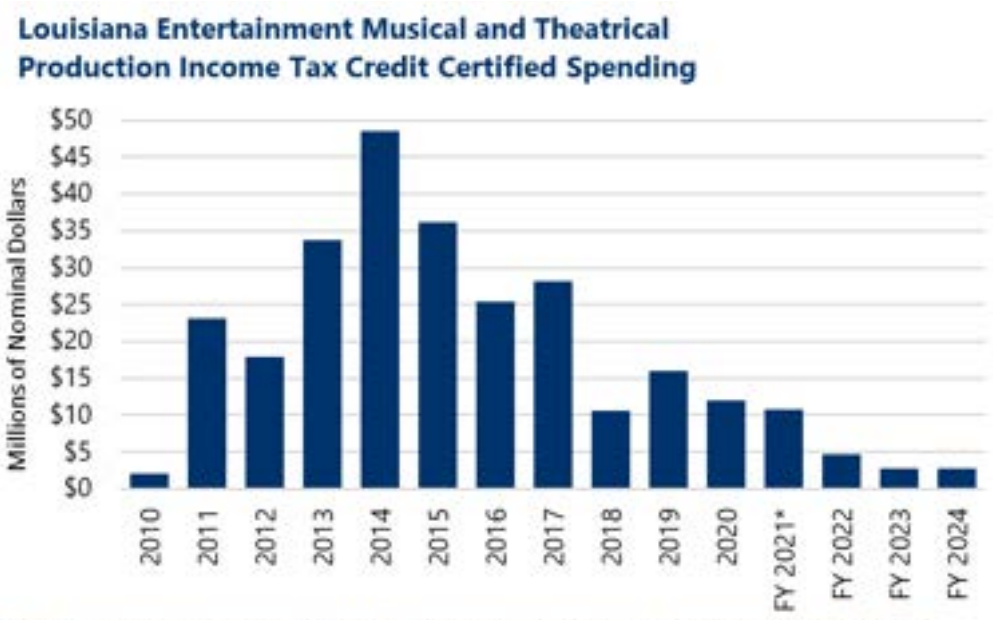
This report aims to quantify the economic and fiscal impacts generated by the Musical and Theatrical Production Income Tax Credit administered by the Office of Entertainment Industry Development (OEID) within the Louisiana Department of Economic Development (LED). As required by LA R.S. 47:6007(D)(6), LED provides a biennial review of the economic and fiscal impacts of these credits and has retained Camoin Associates to complete this review for the 2023 and 2024 fiscal years.

History of the Louisiana Musical and Theatrical Production Income Tax Credit

The Musical and Theatrical Production Income Tax Credit was implemented in 2007 to encourage investment in productions that originate in the state of Louisiana.

Today, this program offers up to an 18% tax credit on Louisiana expenditures, in addition to a 7% tax credit on resident payroll. The tax credit value increases with total production expenditures. Figure 1 shows that the certified spending has decreased since 2014. This is likely attributed to the sunset of the initial infrastructure portion of the tax credit program on January 1, 2015. Covid-19 significantly impacted the musical and theatrical production industry, drastically reducing the number of events for nearly two years — 2020 and 2021. This decline appears in the spending certified in FY 2022. The downward trend continued through 2023, with another year-over-year decrease in certified spending.

Figure 1

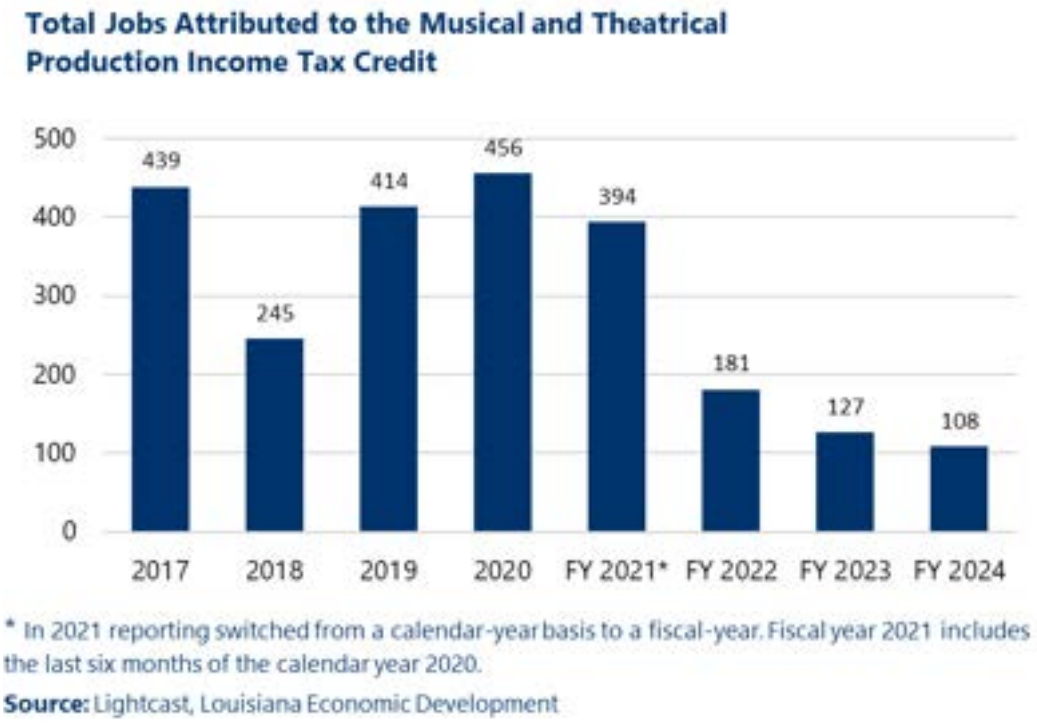


* In 2021 reporting switched from a calendar-year basis to a fiscal-year. Fiscal year 2021 includes the last six months of the calendar year 2020.

Source: Louisiana Economic Development

Since 2017, the total number of musical and theatrical production jobs attributed to the program increased from 439 to 456 in 2020. Following 2020, jobs attributable to the tax program have declined, moving from 394 in FY 2021 to 108 in FY 2024.

Figure 2



* In 2021 reporting switched from a calendar-year basis to a fiscal-year. Fiscal year 2021 includes the last six months of the calendar year 2020.

Source: Lightcast, Louisiana Economic Development



Methodology

Louisiana Entertainment, a division of Louisiana Economic Development, administers the Musical and Theatrical Production Income Tax Credit. In addition, the total certified spending and payroll amounts are verified by an independent certified public accountant (CPA) that is assigned by LED before any credit is issued by LED. The total Louisiana spending and earnings were provided to Camoin Associates by the program for projects with credits certified in FY 2023 and FY 2024. The data that is being analyzed is actual spending that was verified by the independent CPA and credits issued by LED based upon the date of final certification within the time periods being reported. Furthermore, the spending that was certified in these fiscal years actually occurred at some point prior to final certification.

Camoin Associates employed the following methodology to calculate the economic impact of the Louisiana Musical and Theatrical Production Income Tax Credit. *This impact analysis report does not take into consideration any decrease in state funding for other programs or public services.*

1. **Calculate total direct spending and earnings:** The first step is to identify the total amount of spending occurring and earnings generated in Louisiana as a result of the tax credit program — these figures were used as the direct input into the model. This information was provided by Louisiana Entertainment and reviewed by Camoin Associates. For purposes of this analysis, it is assumed that 100% of this spending and earnings are net new to the Louisiana economy and, without the credit program, this spending would not occur.
2. **Model industry activity:** In order to model the economic impact of the tax credits, it is important to accurately model the industries within which this activity is taking place. This analysis uses the direct spending and earnings identified in Step 1 and associates it with four six-digit NAICS codes that best capture industry activity. The NAICS codes used in this analysis are not an exhaustive list but generally represent Louisiana's musical and theatrical production industry and accurately reflect the industries where the tax credits will have the strongest impact.
3. **Model economic impacts:** Using the total sales and earnings figures as inputs, we modeled the indirect impacts — in terms of jobs, earnings, and sales — of the tax credits on the state of Louisiana. Economic multipliers were provided through the Lightcast software package.
4. **Model fiscal impacts:** Local and state tax revenues resulting from economic activity associated with the tax credits were then estimated based on the results of the economic impact analysis.

Modeling Software

Lightcast designed the input-output model used in this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the state of Louisiana and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate through the study area's economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Appendix A for more information on economic impact analysis.

What does "Net New" Mean?

When looking at the economic impacts of this program, it's important to look only at the impacts of the program and highlight the economic changes that have happened as a result of the certified spending in the fiscal year under review. These impacts are considered "net new" as the jobs supported, business sales and household earnings are the direct result of the certified spending.

Definition of a "Job"

A "job" is equal to one person employed for some amount of time (part-time, full-time, or temporary) during FY 2023 or FY 2024. For example, if a person is employed full-time in FY 2023 and FY 2024 that would be considered two jobs. Another example, if one person is employed part-time for four months, then takes two months off and is hired again for four months that would be considered two jobs.

The information must be calculated in this way due to the manner in which the job information is reported by the Quarterly Census of Employment and Wages (QCEW), Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA). The information is provided by the employers to the government in terms of total jobs, not by total number of total full-time equivalents (FTE).

ECONOMIC IMPACT ANALYSIS

Table 1 shows total Louisiana spending by program applicants and earnings in FY 2023 and FY 2024 associated with the Musical and Theatrical Production Income Tax Credit, as reported in tax credit applications and provided by Louisiana Entertainment. In total, credit-eligible projects accounted for more than $2.8 million in spending during FY 2023 and more than $2.7 million in spending during FY 2024. Additionally, these projects generated more than $1.8 million in earnings in FY 2023, while the earnings generated in FY 2024 were closer to $1.5 million.

Table 1

Total Certified Spending and Earnings
Musical and Theatrical Production Income Tax Credit

Period	Spending	Earnings
FY 2023	$2,853,615	$1,887,872
FY 2024	$2,738,172	$1,487,898

Source: Louisiana Economic Development

The total annual spending and earnings figures were used as the direct inputs in the model to generate the total impacts in terms of new sales, jobs, and earnings.

TOTAL MUSICAL AND THEATRICAL PRODUCTION INCOME TAX CREDIT IMPACT ANALYSIS

Economic Impact – FY 2023

As shown below, the Louisiana Musical and Theatrical Production Income Tax Credit resulted in approximately $2.7 million in new indirect and induced sales in FY 2023, adding to the total of more than $5.5 million in new spending. This spending supported **127 jobs**, as well as nearly **$4 million in earnings**.

Economic Impact – FY 2024

For FY 2024, Louisiana's Musical and Theatrical Production Income Tax Credit resulted in approximately $2.6 million in new indirect and induced sales in FY 2024, adding to the total of approximately $5.3 million in new spending. This spending supported **108 jobs**, as well as around **$3.3 million in earnings**.

Table 2

Economic Impact of the Musical and Theatrical Production Income Tax Credit

	FY 2023			FY 2024		
	Sales	Jobs	Earnings	Sales	Jobs	Earnings
Direct	$2,853,615	74	$1,887,872	$2,738,172	62	$1,487,898
Indirect	$1,311,773	32	$1,073,031	$1,236,947	27	$938,978
Induced	$1,376,800	21	$1,033,316	$1,339,861	19	$918,404
Total	**$5,542,188**	**127**	**$3,994,219**	**$5,314,980**	**108**	**$3,345,280**

Source: Louisiana Economic Development, Camoin Associates, Lightcast

FISCAL IMPACT ANALYSIS

Beyond the economic impacts calculated above, there are also fiscal impacts of the musical and theatrical production industry that result from increased economic activity and accrue in the form of additional tax revenue. The following section calculates the fiscal impact and the return on investment of the Musical and Theatrical Production Income Tax Credit.

Impacts on State and Local Revenue

Impacts on State Revenue

Table 3 calculates the state revenue that is generated because of the Musical and Theatrical Production Income Tax Credit's economic activity. It is estimated that approximately 8.7% of worker earnings are paid to the state as taxes.[1] Using the total new earnings calculated above and applying 8.7%, we determine the program generated over $345,000 in new state revenue in FY 2023 and around $300,000 in FY 2024.

Table 3

Fiscal Impact of the Musical and Theatrical Production Income Tax Credit on State Revenue

	FY 2023	FY 2024
Total New Earnings	$3,994,219	$3,345,280
State Revenue Generated from Earnings	8.7%	8.7%
Total New State Revenue	**$347,497**	**$291,039**

Source: State of Louisiana, Camoin Associates

Impacts on Local Revenue

The table below calculates the amount of tax revenue that local agencies received in FY 2023, and FY 2024. Camoin Associates calculated the proportion of musical and theatrical production industry spending associated with credit-eligible projects (total sales figures from Table 2) relative to total sales across all industries in FY 2022 and FY 2023 (the most recent years for which data were available).[2] These percentages were then applied to Louisiana's total local tax collections in FY 2022 and



Source: Louisiana Economic Development

[1] As determined in the 2023 study, *Economic and Fiscal Impact of Louisiana Entertainment Tax Credits* conducted by Camoin Associates with Louisiana Entertainment. Camoin Associates worked with the state to determine the portion of workers' earnings that generate revenue for Louisiana.

[2] This is a slight change from previous reports that used total sales numbers from the most recent year to calculate the % of sales for both FY 2023 and FY 2024. Due to improved data availability, however, we are now able to match the total sales years with the tax collection years, better aligning the timing of our data inputs.

FY 2023 (the most recent years available) to determine the portion of tax collections attributable to the Musical and Theatrical Production Income Tax Credit.

This methodology is based on the assumption that the share of credit-related industry spending relative to the total state sales activity is approximately equal to the share of local tax collections attributable to the tax credit program.

In other words, musical and theatrical production industry activity makes up a certain percentage of the state's total economic activity, and therefore, the musical and theatrical production industry accounts for a similar percentage of the local jurisdictions' revenue.

In total, the Musical and Theatrical Production Income Tax Credit resulted in around $128,000 in new local tax revenue in FY 2023, while local revenue for FY 2024 was approximately $127,000.

Table 4

Fiscal Impact of the Musical and Theatrical Production Income Tax Credit on Local Revenue

	FY 2023		FY 2024	
Total New Sales Attributable to Program	$5,542,188		$5,314,980	
Total State Sales: FY 2022 | FY 2023	$622,364,835,998		$643,052,305,992	
% of All Sales	0.001%		0.001%	
	Total Public Collections (FY 22)	**Tax Generated (0.001%)**	Total Public Collections (FY 23)	**Tax Generated (0.001%)**
Local Revenue	$14,416,529,231	**$128,380**	$15,390,881,259	**$127,209**

*Total local revenue estimated based on 2021 Census figures comparing state revenue to local revenue in Louisiana.

Note: Tax Generated calculated as Total Public Collections x % of All Sales for individual programs.

Source: Lightcast, State of Louisiana, U.S. Census, Camoin Associates

Total Impact on Public Revenue

Combining the state revenue and local revenue calculated above, the table below shows the total impact of the Musical and Theatrical Production Income Tax Credit on public revenue streams.

Table 5

Total Impact of the Musical and Theatrical Production Income Tax Credit on State and Local Revenue

	FY 2023	FY 2024
New State Revenue	$347,497	$291,039
New Local Revenue	$128,380	$127,209
Total New Public Revenue	**$475,877**	**$418,248**

Source: Camoin Associates

Return on Investment

The State is essentially investing in the musical and theatrical production industry in Louisiana through the use of the tax credit program. When considering the return on that investment, there are a number of ways to look at it, including direct new state and local tax revenue generated by the industry and additional sales/earnings in the state that are attributable to the program. The following tables show the impact of the Musical and Theatrical Production Income Tax Credit on the state's finances, overall state resident earnings, and industry sales.[3]

Additional Public Revenue per Dollar of Tax Credit

State and Local Tax Revenue

As calculated in the previous section, the Musical and Theatrical Production Income Tax Credit generated $475,877 in additional state and local tax revenue in FY 2023 and $418,248 in additional revenue in FY 2024. With $589,079 in credits certified in FY 2023 and $543,150 certified in 2024, the return on investment for musical and theatrical production programs was approximately 0.81, or about 81 cents in tax revenue for every dollar of the tax credit, in FY 2023 and around 0.77 or 77 cents in FY 2024. These ratios only consider the tax revenue generated and must be understood in terms of the jobs, wages, and economic activity associated with the tax credits. Additionally, this type of analysis is based on the best available data, and readers should expect a slight margin of error in the return on investment (ROI) of approximately 10%+/-.

Table 6

Return on Investment of the Musical and Theatrical Production Income Tax Credit – State and Local Tax Revenue

	FY 2023	FY 2024
State and Local Tax Revenue	$475,877	$418,248
Credits Certified	$589,079	$543,150
Return on Investment	**$0.81**	**$0.77**

Source: Camoin Associates

State Tax Revenue

Louisiana's state government issues the tax credits and bears the cost of doing so. Therefore, a more conservative calculation of the program's return on investment excludes local tax revenue collected as a result of the program. The Musical and Theatrical Production Income Tax Credit generated $347,497 in additional state tax revenue in FY 2023 and $291,039 in FY 2024. This means that the return on investment for the Musical and Theatrical Production Income Tax Credit was approximately 0.59, or about 59 cents in tax revenue for every dollar of the tax credit in FY 2023 compared to 54 cents in FY 2024. Again, this is a conservative calculation based only on state tax revenue generated and the recognition that the state covers the cost of the credits issued.

[3] Because the state typically appropriates all available state general funds each year, the return on investment in Tables 6 and 7 denotes a maximum value due to the balanced budget requirement in state government. Under a balanced budget constraint, funds that are spent on the incentive generating a positive multiplier impact are no longer spent elsewhere in the budget, implying a negative multiplier impact in the state that could offset this return calculation.

Table 7

Return on Investment of the Musical and Theatrical Production Income Tax Credit – State Tax Revenue

	FY 2023	FY 2024
State Tax Revenue	$347,497	$291,039
Credits Certified	$589,079	$543,150
Return on Investment	**$0.59**	**$0.54**

Source: Camoin Associates

Dynamic Impact of the Musical and Theatrical Production Income Tax Credit on Statewide Earnings and Sales

As shown in the Economic Impact Analysis, the Musical and Theatrical Production Income Tax Credit resulted in new earnings and sales for residents and businesses in Louisiana. Table 8 calculates how the credits issued resulted in economic activity in the state. Specifically:

- For every one dollar of credits certified, there were an additional $6.78 in earnings in FY 2023 and $6.16 in earnings in FY 2024.
- For every one dollar of credits certified, there were an additional $9.41 in sales in FY 2023 and $9.79 in FY 2024.

Table 8

Dynamic Impact of the Musical and Theatrical Production Income Tax Credit on Earnings and Sales

Additional Resident Earnings		
	FY 2023	FY 2024
Total Earnings	$3,994,219	$3,345,280
Total Credits Certified	$589,079	$543,150
Tax Credit Multiplier on Earnings	**$6.78**	**$6.16**
Additional Statewide Sales		
	FY 2023	FY 2024
Total Sales	$5,542,188	$5,314,980
Total Credits Certified	$589,079	$543,150
Tax Credit Multiplier on Sales	**$9.41**	**$9.79**

Source: Camoin Associates

ATTACHMENT A: ECONOMIC IMPACT ANALYSIS EXPLAINED

An economic impact analysis describes how "new" money entering a region influences the local economy. This "new" money can be generated in two ways:

1. When an industry, event, or policy brings new revenue into the region that would otherwise not exist.
2. When an industry, event, or policy retains revenue that would have otherwise left the region.

Economic impact analyses can also assess the negative economic implications of "losing" a particular business, industry, or attraction, which results in money leaving the region.

Economic impacts do not occur when spending simply shifts from one business or industry to another because of a new facility. For example, town residents attending a game at a new football stadium instead of going to the local movie theater will not generate a new economic impact. However, if town leaders decide to host a concert series at the new football stadium, new visitation and spending related to the concert series would create an economic impact.

Understanding Economic Impacts

Economic impacts are typically broken down into direct, indirect, and induced effects.

Direct Effects are the new activities under investigation.

- Example: The sale of RVs from a new manufacturer in Elkhart, IN, to the rest of the country

Indirect Effects reflect the extent of local supply chains for the activity being analyzed.

- Example: The steel, tires, and cabinets purchased by the RV manufacturer in Elkhart, IN, from local suppliers, the purchases made by those suppliers from their local suppliers, and so on

Induced Effects represent the actions of employees who are supported by direct and indirect activities.

- Example: An employee who works for the RV company's primary tire supplier in Elkhart, IN, purchases groceries at the local supermarket.

Traditionally, the three types of effects are evaluated in terms of jobs, labor income or earnings, industry output or sales, and value-added or gross regional product. The sum of the direct, indirect and induced effects is equal to the total economic impact.

Estimating Economic Impacts

An input-output (I-O) model is used to estimate these effects. In the US, I-O models are derived from the Bureau of Economic Analysis' National Income and Product Accounts. These accounts provide the economic "recipe" each industry follows to produce its output. This includes the value of inputs purchased from other industries, as well as the contributions of labor, taxes paid, and a measure of profits.

I-O models also capture household spending patterns. All of these inputs are adjusted for each study area based on the estimated portion of goods and services that businesses and households purchase from local suppliers. Adjustments are also made for in-commuting by workers who then take their earnings home and spend them outside the region.

The resulting "multipliers" show, for each direct dollar spent in the region, how many additional dollars (or cents) are generated at local suppliers (indirect) and providers of goods and services to households (induced). For example, suppose an industry has a multiplier of 2.5, for every positive or negative change to that industry. In this case, the total effect on the regional economy will be 2.5 times the original change.

Benefits of an Economic Impact Analysis

Economic impact analysis is a flexible tool that can be used to quantify the benefit/cost of a particular project, asset, or industry. To yield the most accurate results, studies of this nature rely heavily on high-quality data and research-based assumptions. A well-crafted economic impact analysis can be used by governments, businesses, and organizations to clearly tell a story about how a specific change will affect a given economic environment.



ATTACHMENT B: DATA SOURCES

Lightcast (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. Click to learn more.

ABOUT CAMOIN ASSOCIATES

As the nation's only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on LinkedIn, Facebook, and YouTube.

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Service Lines

- Strategic and Organizational Planning
- Economic and Fiscal Impact Analysis
- Real Estate Development Analytics and Advisory
- Housing Needs Assessment
- Prospecting and Business Attraction
- Target Industry Analytics and Strategy
- Workforce Development and Talent Retention
- Entrepreneurship and Innovation



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Impact of the Louisiana Entertainment Development Fund

January 6, 2025

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Introduction

Entertainment Development Fund (EDF) Background

Since Louisiana adopted its pioneering Motion Picture Production Incentive program in 2002, one of the stated goals has been to create a self-sustaining industry that **includes investment in workforce development and education**. The Entertainment Development Fund (EDF) is a driving force behind the state's efforts to achieve this goal.

The **Entertainment Development Fund was created in 2017** and is funded through a 2% transfer fee collected when certified tax credits are transferred back to the state. Louisiana Entertainment receives 75% of the fees collected for the fund, and at peak capacity, this amounts to $2.7 million per year.

What EDF Programs Offer

- **Building a Skilled Workforce**: Louisiana offers training programs to equip people with these skills, making them more employable in the film industry. This includes programs for students (middle school, high school, college) and individuals looking for a career change. They'll learn camera operation, lighting, sound, and editing. There's also special training focused on new technologies like virtual production, which creates computer-generated environments for filming.
- **Supporting Filmmakers**: Louisiana isn't just about training crews; they're also helping filmmakers get their projects off the ground. Programs like Southern Screen also connect filmmakers with experienced professionals who can offer guidance and mentorship.
- **Investing in New Technologies**: The film industry is constantly evolving, and Louisiana is keeping pace. They're investing in new technologies like virtual production, which allows filmmakers to create realistic settings without filming on location. This not only opens up creative possibilities but can also save time and money on production.
- **Overall Goals**: Louisiana aims to provide training, support filmmakers, and embrace new technologies. This could bring more jobs and investment to the state and create a thriving film community.

As of December 2024, 21 submissions *have been approved for EDF Grants,* ***encompassing nearly $10M*** *in education and workforce commitments throughout the state.*

Funding Recipients

- NOVAC & IATSE
- Prize Foundation
- COOL Cooperative
- Louisiana State University (LSU)
- Digital Media Institute
- Loyola University
- Nicholls State University
- Music Industry Career Development University (MIC'D UP)
- University of Louisiana at Lafayette
- Old Algiers Main Street
- Prize Foundation
- #CREATELOUISIANA
- Southern Screen Mentorship
- Academy of Interactive Entertainment (AIE)

WHAT WE FOUND

Workforce Analysis

Camoin Associates assessed the impact of the Entertainment Development Fund (EDF) using qualitative and quantitative data to demonstrate the value and impact of the program.

Camoin started by **looking at the people behind the industry in the Motion Picture and Musical and Theatrical Production clusters**. We collected workforce data to analyze trends in employment changes, wages, and training requirements for top occupations in the entertainment industry; we also collected data to identify supply-demand misalignments and reviewed available training programs in Louisiana.

Like most industries, the entertainment industry faced economic challenges during the COVID-19 pandemic. However, Louisiana is primed to continue to bounce back and **grow the entertainment industry based on the number of training programs across the state, available workforce, and investment in the industry.**

Between 2018-2023, we saw a decline in jobs for both industry clusters; however, there is a projected increase in both clusters in the next five years. To support the industry and projected job growth, it will be important to continue to build the workforce pipeline with existing specialized programs, mentorships, and job placement opportunities.

The Entertainment Development Fund highlights Louisiana's commitment to building a strong entertainment industry by providing a skilled workforce, fostering new areas of expertise, and supporting filmmakers.

What We Heard

We also conducted a comprehensive online survey from March to June 2024 to assess the effectiveness of the Louisiana EDF. **The survey targeted 15 program recipients, achieving a remarkable 100% response rate.** This data provides valuable insights into the program's goals and backgrounds, funding utilization, and the number of individuals who benefited and engaged with the programs.

To grow its film industry, Louisiana invests in initiatives that improve workforce training (K-12 and adults) and develop new virtual production and digital animation expertise. Additionally, programs offer mentoring and grant funding to support filmmakers.

The Entertainment Development Fund (EDF) has fueled impactful programs in workforce training, education, technical expertise, and filmmaker support, enabling more Louisiana residents to participate in the film and entertainment industry.

Many of these programs wouldn't exist without the EDF grants, and existing ones might have struggled to reach so many individuals. Ultimately, the EDF goes beyond just film production. **It invests in the future of Louisiana's creative industries by providing resources for education and infrastructure development and fostering a skilled workforce across various entertainment sectors.**



WHAT EDF HAS FUNDED

Improved the Stability of Programs: The funding has allowed programs to transition from sporadic events to consistent film programs.

Expanded Film Education: The funding enabled programs to reach a wider audience, including adults and high school and middle school students, focusing on both genders. This tackles the issue of "film deserts" - areas lacking access to filmmaking education - and empowers more aspiring filmmakers to enter the industry.

Cutting-Edge Technology: The grant funded the development of a Virtual Production Facility. This allows filmmakers to create realistic settings digitally, opening creative possibilities and potentially saving time and money on productions.

Storytelling and Digital Media Expertise: The grant also tangentially supports programs that use storytelling and digital media in various industries, like aerospace. This fosters innovation and creates a broader range of skilled professionals in Louisiana.

Music Industry Talent Development: The grant provided crucial funding to launch a music industry management program. This program helps build the infrastructure and support personnel needed to develop Louisiana's music management talent, making the state more competitive with established music hubs.







Workforce Profiles

The People Behind the Industry

Motion Picture

Industry Definition

- 512110 – Motion Picture and Video Production
- 711410 – Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures

Motion Picture Talent Pipeline

The Motion Picture cluster is composed of highly specialized and more general occupations. Common bachelor and associated degree programs that serve as a pipeline for Motion Picture occupations include general studies degrees, business, finance, management and administration related degrees; and mass communication degrees. Top schools for business and general management programs are Louisiana State University at Shreveport, Louisiana State University and Agricultural & Mechanical College, and University of Louisiana at Lafayette. Top Louisiana institutions for general studies degrees include Delgado Community College, Baton Rouge Community College, and South Louisiana Community College. Top producing mass communication/media studies schools are are Louisiana State University and Agricultural & Mechanical College, Southern University and A&M College, and Grambling State University. More specialized Motion Picture educational programs are outlined below.

Cluster Snapshot

Jobs: 2,623
The sector is responsible for about **0.12% of jobs** in Louisiana.

Businesses: 249
Number of Motion Picture related businesses **grew by 30%** between 2018 and 2023.

Gross Regional Product*: $279.4 Million
The Region's **GRP decreased by 54%** between 2018 and 2023.

Job Change: -36.0%
Overall, jobs in the cluster **decreased by 1,475 jobs** between 2018 and 2023.

Earnings: $63,771
Average earnings per job are **slightly below the state's average** ($68,386).

Employment Concentration: 0.69
The industry employment in **the region is less concentrated** compared to industry employment at the national level.

*GRP figures are in nominal terms, i.e., not adjusted for inflation

Top Growth Occupations

Top Growth Occupation 2018-2023 by Number of Jobs

1) *Riggers:* 133% increase from 24 to 56 jobs
2) *General and Operations Managers:* 39% increase from 54 to 75 jobs
3) *Broadcast Technicians:* 150% increase from 14 to 35 jobs

Top Projected Growth Occupation 2023-2028 by Number of Jobs

1) *Film and Video Editors:* 14% increase from 152 to 174 jobs
2) *Producers and Directors:* 1% increase from 394 to 398 jobs
3) *Broadcast Technicians:* 9% increase from 35 to 38 jobs

Data Collected via Lightcast Analytics

Occupation Spotlight

Top Occupations by Number of Jobs, 2023

1) *Producers and Directors*
   - Median Earnings: $27.81
   - Education: Bachelor's Degree
   - Experience: Less than 5 Years
   - On the Job Training: None
2) *Entertainers and Performers, Sports and Related Workers, All Other*
   - Median Earnings: $29.31
   - Education: No Formal Credential
   - Experience: None
   - On the Job Training: Short-Term
3) *Actors*
   - Median Earnings: $11.34
   - Education: Some College
   - Experience: None
   - On the Job Training: Long-Term

Specialized Educational Program

Top Training Programs for Motion Picture Occupations by 2023 Completions

Liberal Arts and Sciences, General Studies and Humanities
- Baton Rouge Community College: 133 Completions
- River Parishes Community College: 83 Completions
- Louisiana State University at Alexandria: 60 Completions

Audiovisual Communications Technologies/Technicians
- Bossier Parish Community College is the only institution in LA to offer this program and in 2023 it produced 65 completions.

Drama and Dramatics/Theatre Arts, General
- University of New Orleans: 60 Completions
- Louisiana State University and Agricultural & Mechanical College: 21 Completions
- Northwest State University of Louisiana: 23 Completions

Design and Visual Communication
- Tulane University of Louisiana: 29 Completions
- Loyola University New Orleans: 14 Completions
- Delta College of Arts & Technology: 10 Completions

Musical & Theatrical Production

Industry Definition

- 711110 – Theater Companies and Dinner Theaters
- 711130 – Musical Groups and Artists
- 711410 – Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
- 711310 – Promoters of Performing Arts, Sports, and Similar Events with Facilities

Musical & Theatrical Production Talent Pipeline

The Musical and Theatrical Production cluster is composed of highly specialized and more general occupations. Common bachelor and associated degree programs that serve as a pipeline for Musical and Theatrical Production occupations include general studies degrees, business, finance, and administration related degrees; and management degrees. Top schools for business and general management programs are Louisiana State University at Shreveport, Louisiana State University and Agricultural & Mechanical College, and University of Louisiana at Lafayette. Top Louisiana institutions for general studies degrees include Delgado Community College, Baton Rouge Community College, and South Louisiana Community College. More specialized Musical and Theatrical Production educational programs are outlined below.

Cluster Snapshot

Jobs: 3,377
The sector is responsible for about **0.16% of jobs** in the state.

Businesses: 186
Number of Musical & Theatrical Production businesses **grew by 37%** between 2018 and 2023.

Gross Regional Product*: $208.7 Million
The Region's **GRP increased by 6%** between 2018 and 2023.

Job Change: -13%
Overall, jobs in the sector **decreased by 519 jobs** between 2018 and 2023.

Earnings: $32,913
Average earnings per job are **below the state's average** ($68,386).

Employment Concentration: 0.86
The industry employment in the region **is slightly less concentrated** than industry employment at the national level.

*GRP figures are in nominal terms, i.e., not adjusted for inflation

Growing Occupations

Top Growth Occupation 2018-2023 by Number of Jobs

1) *General and Operations Managers:* 126% increase from 53 to 120 jobs
2) *Musicians and Singers:* 9% increase 571 to 625 jobs
3) *Maintenance and Repair Workers, General:* 112% increase from 34 to 72 jobs

Top Projected Growth Occupation 2023-2028 by Number of Jobs

1) *Laborers and Freight, Stock, and Material Movers, Hand:* 13% increase from 214 to 242 jobs
2) *Musicians and Singers:* 4% increase from 625 to 647 jobs
3) *General and Operations Managers:* 15% increase from 120 to 138 jobs

Data Collected via Lightcast Analytics

Occupation Spotlight

Top Occupations by Number of Jobs, 2023

1) *Musicians and Singers*
   - Median Earnings: $13.79
   - Education: No Formal Credential
   - Experience: None
   - On the Job Training: Long-Term
2) *Laborers and Freight, Stock, and Material Movers, Hand*
   - Median Earnings: $15.37
   - Education: No Formal Credential
   - Experience: None
   - On the Job Training: Short-Term
3) *Entertainers and Performers, Sports and Related Workers, All Other*
   - Median Earnings: $29.31
   - Education: No Formal Credential
   - Experience: None
   - On the Job Training: Short-Term

Specialized Educational Program

Top Training Programs for Musical & Theatrical Production Occupations by 2023 Completions

Liberal Arts and Sciences, General Studies and Humanities
- Baton Rouge Community College: 133 Completions
- River Parishes Community College: 83 Completions
- Louisiana State University at Alexandria: 60 Completions

Music Performance, General
- University of Louisiana at Lafayette: 22 Completions
- Louisiana State University and Agricultural & Mechanical College: 21 Completions
- Tulane University of Louisiana: 13 Completions

Drama and Dramatics/Theatre Arts, General
- University of New Orleans: 60 Completions
- Louisiana State University and Agricultural & Mechanical College: 21 Completions
- Northwest State University of Louisiana: 23 Completions

Welding Technology/Welder
- Central Louisiana Tech. Community College: 433 Completions
- Northshore Tech. Community College: 375 Completions
- Louisiana Delta Community College: 163 Completions

Refence Guide for Occupational Snapshots

Occupations Explained

Code	Title	Definition
11-1021	General and Operations Managers	Plan, direct, or coordinate the operations of public or private sector organizations, overseeing multiple departments or locations
27-2042	Musicians and Singers	Play one or more musical instruments or sing. May perform on stage, for broadcasting, or for sound or video recording.
49-9071	Maintenance and Repair Workers, General	Perform work involving the skills of two or more maintenance or craft occupations to keep machines, mechanical equipment, or the structure of a building in repair. Duties may involve pipe fitting; HVAC maintenance; welding; machining; carpentry; and repairing buildings, floors, or stairs.
53-7062	Laborers and Freight, Stock and Material Movers, Hand	Manually move freight, stock, luggage, or other materials, or perform other general labor. Includes all manual laborers not elsewhere classified.
27-2099	Entertainers and Performers, Sports and Related Workers All Others	All entertainers and performers, sports and related workers not listed separately such as acrobats, aerialist, aquatic performer, etc.
49-9096	Riggers	Set up or repair rigging for construction projects, manufacturing plants, logging yards, ships and shipyards, or for the entertainment industry.
27-4012	Broadcast Technicians	Set up, operate, and maintain the electronic equipment used to acquire, edit, and transmit audio and video for radio or television programs. Control and adjust incoming and outgoing broadcast signals to regulate sound volume, signal strength, and signal clarity.
27-4032	Film and Video Editors	Edit moving images on film, video, or other media. May work with a producer or director to organize images for final production. May edit or synchronize soundtracks with images.
27-2012	Producers and Directors	Produce or direct stage, television, radio, video, or film productions for entertainment, information, or instruction. Responsible for creative decisions, such as interpretation of script, choice of actors or guests, set design, sound, special effects, and choreography.
27-2011	Actors	Play parts in stage, television, radio, video, or film productions, or other settings for entertainment, information, or instruction. Interpret serious or comic role by speech, gesture, and body movement to entertain or inform audience. May dance and sing

Source: US Bureau of Labor Statistics

Glossary

Completions: The number of degrees or certificates conferred for a specific course of study in a given year. Includes all award levels.

Employment Concentration: A measure of the concentration of a particular industry or occupation in a region compared to a larger geographic area, such as the nation. A location quotient greater than 1 indicates a higher concentration in the region.

Gross Regional Product (GRP): The total economic output of the specified industry or sector within the region

SOC Code: Standard Occupational Classification (SOC) code is a numerical system that classifies workers into occupational categories to collect, calculate, and disseminate data.

NAICS Code: A numerical code assigned to a specific industry under the North American Industry Classification System (NAICS), used to classify business establishments.





The Entertainment Development Fund in Action

Program Recipient Highlights

The COOL Cooperative

Organization Background | The COOL Cooperative is a nonprofit organization focused on workforce development and skill-building for middle school and high school students interested in the entertainment industry. With an emphasis on empowering students to lead with their own stories and voices, COOL Cooperative provides immersive training and practical experiences, highlighting various roles beyond traditional acting or directing ambitions, such as technical production, project management, and sound design.

Entertainment Development Fund Grant Amount | $470,800

Program supported by EDF Grant | The COOL Cooperative is using EDF grant funds to expand its film industry workforce development program. The grant supports curriculum expansion, hiring additional trainers, and the acquisition of industry-standard equipment. The funding is crucial for program sustainability and ensuring students gain hands-on experience with current tools and technology across the state.

Number of Program Participants Served | 100 students



Photo Source: The COOL Cooperative

Program Benefits

- **Workforce Ready |** The program encourages early skill development, aiming for students to graduate confident and job-ready, with applicable skills in project management, equipment handling, and digital post-production.
- **Industry Networking |** Cool Cooperative bridges students with the entertainment industry through mentorship, hands-on projects, and networking events such as red-carpet experiences. Students gain real-world skills, ranging from camera operations to sound design. They also learn about brand storytelling through mini-campaigns and receive sports media training.
- **Long Term Impacts on the Film Industry |** The program aims to create lasting career pathways in Louisiana's entertainment industry. With a foundation of hands-on skills and professional relationships, students are well-positioned to enter roles that require practical expertise, making Cool Cooperative a valuable contributor to the local workforce and the creative economy.



Photo Source: The COOL Cooperative

Loyola University New Orleans

Organization Background | Loyola University New Orleans is a Jesuit and Catholic higher education institution with over 145 academic programs ranging from Business, Law, Arts, and Science to Music and Media.

Entertainment Development Fund Grant Amount | $700,000

Program supported by EDF Grant | Loyola University New Orleans is using the EDF grant funding to establish a virtual filmmaking facility designed to enhance hands-on film production training. The grant supports the university's goal to train and equip students with cutting-edge skills in cinematic technology, preparing them for careers in Louisiana's evolving entertainment industry.

Number of Program Participants Served | Currently 80 Film Majors

Program Benefits

- **Skilled Students Ready to Enter the Workforce**
  - The grant enabled the **purchase of high-end filmmaking tools**, including professional-grade cameras, dollies, lighting, lenses, rigs, monitors, and remote follow focus systems.
  - Students are **trained in Unreal Engine** and other virtual production technologies, preparing them to work in virtual filmmaking, an **industry-standard skill in high demand**.
  - The grant facilitated the **purchase of an LED volume wall**, allowing virtual production using digital backgrounds created by thousands of LEDs. This immersive technology, like Unreal Engine, enables all grade levels to experiment with creating and filming virtual sets.
- **Qualified and Credentialed Professionals** | The program emphasizes practical skills, producing graduates proficient in roles such as cinematographers, camera assistants, production designers, gaffers, and key grips.
- **Long-Term Workforce Development** | Loyola University aims to bolster Louisiana's film industry by building a skilled local workforce. The program seeks to retain talent within the state, which is essential for maintaining Louisiana's competitive industry presence.



Photo Source: Loyola University New Orleans



Photo Source: Loyola University New Orleans

Baton Rouge Community College (BRCC)

Organization Background | Baton Rouge Community College (BRCC) is a public institution serving over 10,000. It offers a wide range of academic, technical, and workforce programs, including transfer degrees, technical diplomas, and certificates.

Entertainment Development Fund Grant Amount | $750,000

Program supported by EDF Grant | Baton Rouge Community College (BRCC) is using grant funds to expand and enhance its Film and New Media Production Program, supporting workforce training and skill development in Louisiana's growing film industry. The grant enables BRCC to advance its comprehensive curriculum, particularly in film production and post-production, fostering a robust pipeline of local talent equipped for the entertainment sector.

Number of Program Participants Served | Approx. 60 students per term

Program Benefits

- **Industry Ready |** Students gain hands-on experience in production management, set operations, camera work, lighting, and post-production. The program includes augmented reality training for virtual exposure to studio operations, networking with BRCC's industry contacts, and workforce preparation for production assistant roles. Specialized training addresses skills shortages in areas like grip and electric on sets and sound stages.
- **Building Stronger Workforce Pipelines |** Baton Rouge Community College (BRCC) has partnered with local high schools to launch dual enrollment programs aimed at cultivating a skilled workforce pipeline. By introducing students to career opportunities in film at a younger age, this initiative not only builds interest and excitement for the industry but also equips participants with foundational skills that can lead to further education and immediate employability in the growing entertainment sector.
- **Long Term Impacts on the Film Industry |** BRCC envisions the program as a vital contributor to Louisiana's entertainment workforce, developing local production assistants and other crew members to fill the workforce gap. The program's proximity to Louisiana State University (LSU) and its relationship with LSU's BFA program in film enables students to transfer credits and pursue advanced degrees, further supporting long-term career progression in the industry.



Photo Source: Baton Rouge Community College

Acadiana Center for the Arts

Organization Background | For 50 years, the Acadiana Center for the Arts (AcA) has been a cornerstone of arts and culture in the Acadiana region, offering public concerts, art exhibitions, grants, and educational programs that connect artists with schools and communities. Serving an eight-parish region, AcA is dedicated to expanding access to the arts and fostering a sustainable cultural economy for future generations.

Entertainment Development Fund Grant Amount | $750,000

Program supported by EDF Grant | AcA is using grant funds to build the Louisiana Scoring program, which provides workforce development, infrastructure enhancements, and economic opportunities for statewide musicians, aiming to strengthen Louisiana's entertainment and film production economy. The grant also helps Louisiana Scoring take full advantage of the AcA's state-of-the-art James Devin Moncus Theater by providing top-tier, industry-leading equipment to aid in capturing Louisiana's best musicians within the unique acoustics of the space.

Number of Program Participants Served | 70 (Between Sep 1 and Nov 30, 2024)

Program Benefits

- **Growth Through Infrastructure |** The Louisiana Scoring Studio was established to attract composers and retain production dollars currently spent abroad, offering a cost-effective, high-quality scoring alternative. The scoring studio, serving as a hub for both local and external composers, enhances the state's competitiveness in the motion picture and entertainment industries.
- **Attracting and Retaining Talent** | The program supports composers worldwide and in Louisiana while creating significant job opportunities for skilled orchestral players. The scoring studio taps into Louisiana's strong pool of talented musicians and university training programs, enhancing performance quality through targeted training and career development. By helping musicians meet industry standards, gain valuable credits, and grow their careers, the program strengthens the state's entertainment industry and workforce.

LOUISIANA SCORING
Acadiana Center for the Arts



Photo Source: Acadiana Center for the Arts



Photo Source: Acadiana Center for the Arts

About Camoin Associates

As the nation's only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on LinkedIn, Facebook, and YouTube.

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Prospecting and Business Attraction


Target Industry Analytics and Strategy


Workforce Development and Talent Retention


Entrepreneurship and Innovation

Economic and Fiscal Impact of the Louisiana Music Economy

Prepared by Albrecht & Associates, LLC

Submitted to Louisiana Entertainment, Louisiana Economic Development

INTRODUCTION

Louisiana Economic Development (LED) is the state agency responsible for promoting Louisiana as a location for retaining, expanding and launching business operations. The Office of Entertainment Industry Development, located within LED, oversees and manages economic development opportunities targeted specifically to the entertainment sector, including music, live performance and related business ventures. This report was commissioned by LED to provide information to inform policymaking by developing estimates of the economic and tax impacts of the Louisiana music industry. These estimates will also serve as economic development tools for LED to position music entertainment as a leading sector in the Louisiana economy.

Louisiana has rich traditions in a wide variety of music genres including blues, country, swamp pop, zydeco, jazz, gospel, Mardi Gras, and variations within these genres, as well as other genres such as bounce. These genres and others are continuously being created and evolving in the state. The state is known for its many festivals that feature food, art, heritage and almost always music, from small local/regional events to large internationally renowned festivals such as the New Orleans Jazz & Heritage Festival and the Festival International de Louisiane.

However, there has been little examination of music performance and production in the state as an economic phenomenon. There is a common perception that the state generates a lot of musicians that ultimately relocate much of their associated business activity to other well-known music hubs such as Nashville, New York, or Los Angeles in order to receive support necessary to grow their music as a business. This concept of industries clustering in specific locations is referred to by economists as agglomeration. This report attempts to put some numbers to the music industry in Louisiana.

ECONOMIC IMPACT RESULTS

Below, we present results of analysis of the economic impact of the music industry in the state. These results are presented in two cases based on the breadth of the music industry to be considered. The first case considers a narrow concept of the music industry, comprised of music performance and sound recording activity. The second case broadens the concept of music industry to include the festival and concert business, non-academic music instruction, and musical instrument rental and repair. Impacts are presented for the state as a whole and for the metropolitan statistical areas (MSAs) of the state. Total impacts are broken down into direct effects, indirect effects, and induced effects. After these estimates are presented, other estimates of the industry will be briefly discussed.

A consequential technical note to the following estimates is that they are based on establishment payroll counts[1]. These counts are likely to understate the true employment and economic activity associated with almost any industry simply because they do not include self-employment, which may result in an understatement of the economic size and impact of the industry. Performing musicians, even those performing frequently or regularly, are especially likely to have payroll employment unrelated to their musical "work", and are not payroll employees of any musical enterprise. To recognize this likelihood, the direct employment counts utilized in both the narrow and broad music industry concepts were increased by 9.4%; the all-industry nationwide estimate of self-employment share of total employment.[2] To the extent the Louisiana music industry exhibits a different self-employment share than this, the estimates that follow may understate the actual size and impact of the music industry in the state if the music industry has a higher share of self-employed workers than the all-industry average (which is perhaps likely given the nature of the work). Sensitivity to this assumption will be discussed below.

Narrow Music Industry Concept

Estimating any industry's size in the economy requires defining what economic activities are included in such analysis. We begin with a narrow concept of the music industry. In this narrow concept we included only two industry groups that can clearly be considered the music industry: musical groups and artists, and sound recording industries.[3] These are establishments and individuals with reported payroll employment that provide live musical performances or produce and distribute musical recordings. As previously mentioned, we have escalated the direct employment of these two groups in acknowledgment of potential self-employment, with the results displayed in Table 1 below[4].

[1] The direct inputs into the analysis are payroll employment figures reported for March 2021 by the U.S. Census Bureau's County Business Patterns program. This is the latest data available at the level of detail necessary to estimate the economic size of the music industry at the state level.

[2] Based on the share of U.S. employment that is estimated to be self-employed. Note that this national average can vary across industries and states. U.S. Census Bureau, American Community Survey.

[3] The North American Industrial Classification System (NAICS 71113) describes musical groups and artists as comprising groups primarily engaged in producing live musical entertainment (except theatrical musical or opera productions) and independent (i.e., freelance) artists primarily engaged in providing live musical entertainment. NAICS 5122 describes sound recording industries as composed of establishments primarily engaged in producing and distributing musical recordings, publishing music, or providing sound recording and related services. One hundred percent of the reported employment in these classifications was included in the analysis.

[4] Note that the full values displayed in all tables of the report reflect spreadsheet calculation precision and not analytical estimating precision.

Table 1

Economic Impact of Narrow Music Industry Concept

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	333	$15,891,556	$30,917,331
Indirect Effect	35	$1,384,220	$13,861,366
Induced Effect	119	$5,556,056	$10,082,948
Total Effect	487	$22,831,832	$54,861,645

Note that throughout the report the indirect effect reflects purchases by the musical groups and recording entities from other in-state businesses to support the business activities of the musical groups and recording studios. This effect does not reflect the purchases made by other businesses that provide venue, concert, and festival opportunities for live performances by the groups. The induced effect reflects purchases by the employees of these businesses for their own consumption. In addition, royalties that may be received by artists as a result of their recordings are not included in this analysis. The absence of this source of music income works primarily to diminish the induced component of the results[5]. Also, note that the indirect support employment is 10% of combined direct and indirect employment, but 8% of combined earnings and 31% of combined value added.

As previously mentioned, this analyses includes a 9.4% self-employment adjustment, and the sensitivity of the results to this factor can be evaluated. Since Input-Output models like the one utilized in this analysis are linear in nature, a given percentage increase in the inputs will generate the same percentage increase in the model output results. Thus, if the self-employment factor is increased by one or five or ten percentage points, the economic impact results will increase by like percentages. This is illustrated in Table 1a below, where the direct employment inputs are more than doubled by applying a self-employment factor of 20%. The increase in economic impact resulting from this increase in assumed self-employment is displayed in the Table 1a.

[5] While no specific royalty payment amounts could be identified by state, some idea of royalty payments to Louisiana artists might be inferred from two pieces of information. The website 50statesofmusic.com, apparently supported by the Recording Industry Association of America, reported 2,997 royalty recipients in the state of Louisiana (1.45% of total recipients in the U.S.). SoundExchange (an organization that collects and distributes digital performance royalties on behalf of creators) reported over $959 million of audited royalty distributions for 2022. Thus, some $13.9 million of royalty income could be flowing to Louisiana artists; augmenting the induced component of this analysis.

Table 1a
Difference In Economic Impact
Self-Employment At 20% vs 9.4%

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	35	$1,684,505	$3,277,237
Indirect Effect	4	$146,727	$1,469,305
Induced Effect	13	$588,942	$1,068,792
Total Effect	52	$2,420,174	$5,815,334

This sensitivity analysis suggests that it takes a fairly large deviation from utilizing the 9.4% self-employment assumption to generate materially larger economic impact results. More than doubling the self-employment factor results in absolute larger impact estimates of 52 total jobs, $2.4 million in earnings, and $5.8 million in overall value added, an approximately 11 percent increase. Thus, while it might be likely that self-employment makes up a larger share of music industry employment than considered in the baseline result of this report, the self-employment assumption would have to be large to meaningfully impact results.

Having noted that, Table 1aa below displays the direct narrow music industry estimates in the context of the overall state economy (as shares of employment, personal income, and value added) as reported for 2021 by the U.S. Commerce Dept, Bureau of Economic Analysis[6].

Table 1aa
Narrow Music Industry Concept

Music Industry Shares of State Economy			
	Employment	**Personal Income**	**Value Added**
Shares	0.012%	0.006%	0.012%

Broad Music Industry Concept

The music industry is often thought of in a broader context that includes the businesses that provide performance opportunities for live musical performances such as concerts and festivals. A broad concept of the music economy may also include music instruction and musical instrument sales or rentals, and repairs, as well as retail music instrument stores that support the development of musicians in general. However, the additional industries added for the broadened concept of music industry include a number of business activities that are not music-related, with no itemization of employment in each of the various business activities aggregated into each industry. Thus, an adjustment was made to each added industry to include only a portion of the industry's employment in the analysis. This music share adjustment is simply the ratio of music-related

[6] The Bureau reports 2021 state nominal gross domestic product (GDP or value added) as $263 billion, state personal income as $252 billion, and total state employment as 2.7 million.

entities or activities to all the entities or activities included in each industry; an admittedly ad hoc adjustment that acknowledges the certain existence of music-related entities or activities in each industry, but also imposes a degree of uncertainty to the analysis.[7] This leads to another issue that is appropriately mentioned here; that is, where to draw the line on how expansively to define the music industry or music economy. In this report we have attempted to include what are clearly music producing industries in the state (the narrow concept of musical groups & artists and sound recording), as well as associated industries that seem driven by the performance of music in the state (festivals & concerts) regardless of whether the music originated from a Louisiana-based entity, and extending even to music instruction and instrument sales, rental, and repair. These music-related industries were thought of as comprising the music economy for the purposes of this report. As will be shown later in this report, significantly broader concepts of music industry or music economy can be considered.

The results of broadening the music industry concept to include the narrow concept initially estimated as well as those additional industries mentioned immediately above are displayed in Table 2 below.

[7] NAICS 711310 & 71132 describes promoters of performing arts, sports, and similar events with and without facilities as primarily engaged in organizing, promoting, and/or managing live performing arts productions, sports events, and similar events, such as state fairs, county fairs, agricultural fairs, concerts, and festivals, held in facilities that they manage and operate themselves or are managed and operated by others and/or managing and providing the staff to operate arenas, stadiums, theaters, or other related facilities for rent to other promoters. Theatrical (except motion picture) booking agencies are included in these industries. Thirty-one percent of this employment was included in the analysis. NAICS 611610 describes (non-academic) fine arts schools as primarily engaged in offering instruction in the arts, including dance, art, drama, and music. Thirty-five percent of this employment was included in the analysis. NAICS 532289 describes all other consumer goods rental as primarily engaged in renting consumer goods and products (except consumer electronics and appliances; formal wear and costumes; prerecorded video tapes and discs for home electronic equipment; home health furniture and equipment; and recreational goods). Included in this industry are furniture rental centers and party rental supply centers. Fifteen percent of this employment was included in the analysis.
NAICS 811490 describes other personal and household goods repair and maintenance as primarily engaged in repairing and servicing personal or household-type goods without retailing new personal or household-type goods (except home and garden equipment, appliances, furniture, and footwear and leather goods). Establishments in this industry repair items, such as garments; watches; jewelry; musical instruments; bicycles and motorcycles; and motorboats, canoes, sailboats, and other recreational boats. Eight percent of this employment was included in the analysis.
NAICS 451140 describes musical instrument and supplies retailers as primarily engaged in retailing new musical instruments, sheet music, and related supplies; or retailing these new products in combination with musical instrument repair, rental, or music instruction. One hundred percent of this employment was included in the analysis.

Table 2

Economic Impact of Broad Music Industry Concept

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	1,869	$57,608,666	$82,196,265
Indirect Effect	271	$12,497,076	$53,225,773
Induced Effect	485	$22,544,160	$40,915,298
Total Effect	2,624	$92,649,903	$176,337,339

As expected, these results are substantially larger than the narrow concept initially discussed. Note that in the broader concept of the music industry, the relative significance of indirect support businesses increases across all the metrics: indirect support employment is 13% of combined direct and indirect employment, 18% of combined earnings and 39% of combined value added.

The broad music industry analysis also includes a 9.4% self-employment adjustment, and the sensitivity of the results to this factor can be evaluated here, as with the narrow industry analysis above. Again, since Input-Output models like the one utilized in this analysis are linear in nature, a given percentage increase in the inputs will generate the same percentage increase in the model output results. Thus, if the self-employment factor is increased by one or five or ten percentage points, the economic impact results will increase by like percentages. This is illustrated in Table 2a below, where the direct employment inputs are more than doubled by applying a self-employment factor of 20%. The increase in economic impact resulting from this increase in assumed self-employment is displayed in the Table 2a.

Table 2a

Difference In Economic Impact

Broad Music, Per 10ppts of Self-Employment Above 9.4ppts

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	196	$5,989,457	$8,542,009
Indirect Effect	28	$1,316,385	$5,570,481
Induced Effect	51	$2,349,359	$4,263,848
Total Effect	275	$9,655,201	$18,376,338

This sensitivity analysis suggests that it takes a fairly large deviation from utilizing the 9.4% self-employment assumption to generate materially larger economic impact results. More than doubling the self-employment factor results in absolute larger impact estimates of 275 total jobs, $9.7 million in earnings, and $18.4 million in overall value added, an approximately 10 percent increase. Thus, even if self-employment for the broad industry concept makes up a larger share of music industry employment than considered in the baseline result of this report, the self-employment assumption would have to be large to meaningfully impact results.

Comparable to the narrow industry relative size displayed above, estimates for the broad music industry (exclusive of drinking establishments discussed below), in the context of the overall state economy can also be calculated. Table 2aa below displays the broad direct music industry estimates as shares of 2021 employment, personal income, and value added.

Table 2aa
Broad Music Industry Concept

Music Industry Shares of State Economy			
	Employment	Personal Income	Value Added
Share	0.069%	0.023%	0.031%

It is material to note here that these broad industry results do not include the industry of Drinking Establishments (with alcoholic beverages); an industry that (anecdotally at least) provides much of the opportunities for live music performance. This industry was excluded from the analysis because the NAICS (72241) information does not allow for a distinction of those establishments where live music is a primary component of their business model. However, the sensitivity of the broad concept results to this exclusion can be evaluated in the same fashion as done above regarding the self-employment factor. Table 3 below illustrates this sensitivity by displaying the increase in economic impact resulting from inclusion of 10% of the reported statewide total employment in this industry.

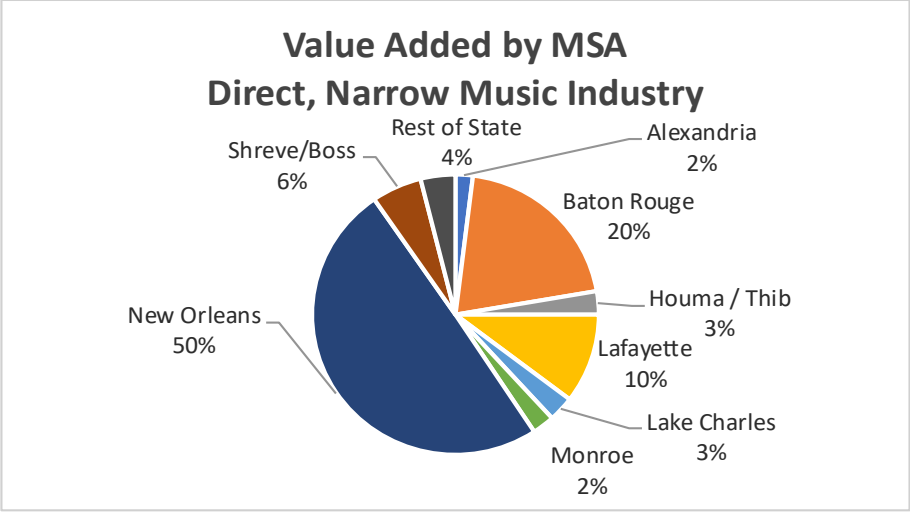
Table 3
Difference In Economic Impact
Broad Music, Per 10% of Drinking Establishments

Louisiana Impacts			
Impact Type	Employment	Labor Income	Value Added
Direct Effect	500	$15,022,870	$13,326,590
Indirect Effect	55	$3,108,248	$12,988,367
Induced Effect	125	$5,830,360	$10,580,652
Total Effect	680	$23,961,477	$36,895,610

This sensitivity exhibit serves to point out that in the current Louisiana economy, each additional 10% of the drinking establishment industry added to the broad industry concept, increases the total economic impact by 26% in employment and earnings, and 21% in value added. Thus, to the extent this industry is a component of a broad music industry, it has a significant effect on the overall size of the music economy.

Local Area Estimates

Music industry activity supports general economic activity in the local areas of the state where the activity occurs. The pie chart immediately below summarizes the distribution of the narrow music industry concept economic activity across the local areas of the state, and makes obvious that the bulk of activity[8] (80%) occurs in the three largest MSAs of Orleans, Baton Rouge, and Lafayette. Numerical estimates of the narrow music industry local area economic activity are presented in the Tables 1b, 1c, and 1d below[9].



[8] Here reflected in direct effect value added.

[9] The local area concept utilized here is that of Metropolitan Statistical Areas (MSA) delineated by the U.S. Office of Management and Budget, and generally defined as a geographic entity based on a county or a group of counties with at least one urbanized area with a population of at least 50,000 and adjacent counties with economic ties to the central area.

Table 1b

Economic Impact of Narrow Music Industry Concept

Alexandria Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	7	$310,701	$604,475
Indirect Effect	1	$27,063	$271,008
Induced Effect	2	$108,628	$197,135
Total Effect	10	$446,393	$1,072,619

Baton Rouge Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	68	$3,233,682	$6,291,192
Indirect Effect	7	$281,667	$2,820,571
Induced Effect	24	$1,130,570	$2,051,722
Total Effect	99	$4,645,920	$11,163,484

Houma/Thibodaux Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	9	$428,138	$832,950
Indirect Effect	1	$37,293	$373,442
Induced Effect	3	$149,687	$271,647
Total Effect	13	$615,117	$1,478,038

Table 1c

Economic Impact of Narrow Music Industry Concept

Lafayette Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	34	$1,642,596	$3,195,703
Indirect Effect	4	$143,077	$1,432,750
Induced Effect	12	$574,290	$1,042,202
Total Effect	50	$2,359,963	$5,670,655

Lake Charles Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	10	$460,732	$896,363
Indirect Effect	1	$40,132	$401,872
Induced Effect	3	$161,083	$292,327
Total Effect	14	$661,946	$1,590,563

Monroe Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	8	$398,674	$775,628
Indirect Effect	1	$34,726	$347,742
Induced Effect	3	$139,386	$252,953
Total Effect	12	$572,786	$1,376,323

Table 1d

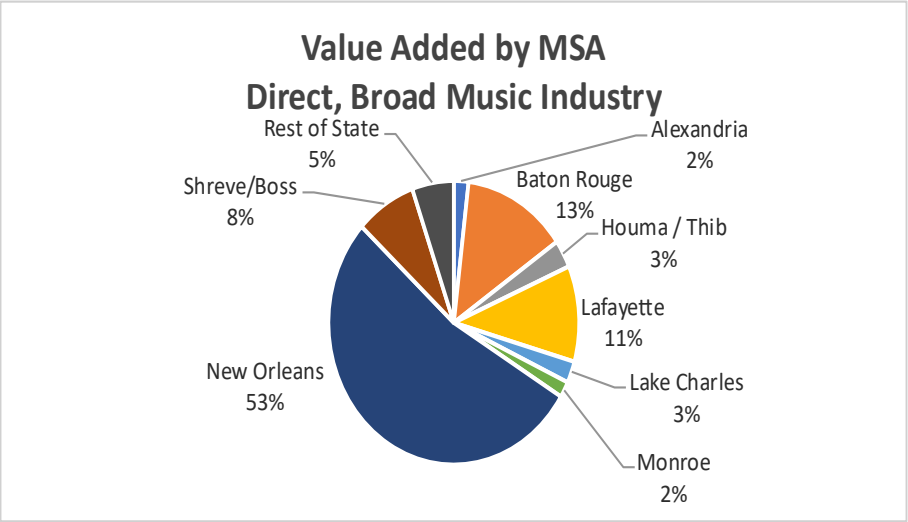
Economic Impact of Narrow Music Industry Concept

Orleans Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	165	$7,893,503	$15,356,964
Indirect Effect	17	$687,557	$6,885,086
Induced Effect	59	$2,759,751	$5,008,306
Total Effect	242	$11,340,811	$27,250,357

Shreveport/Bossier Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	19	$900,339	$1,751,626
Indirect Effect	2	$78,423	$785,318
Induced Effect	7	$314,779	$571,251
Total Effect	28	$1,293,541	$3,108,195

Rest-of-State Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	13	$623,191	$1,212,430
Indirect Effect	1	$54,282	$543,576
Induced Effect	5	$217,882	$395,405
Total Effect	19	$895,355	$2,151,411

The pie chart immediately below summarizes the distribution of broad music industry economic activity across the local areas of the state. When a more broad concept of the music industry is considered, the majority of music industry activity[10] still occurs in the three largest MSAs of Orleans, Baton Rouge, and Lafayette but with a somewhat smaller combined share than in the narrow industry case; 77% vs 80%, indicating that the activity of the broad industry concept is somewhat more spread out across the state than the narrow industry concept. Numerical estimates of the broad music industry local area economic activity are presented in the Tables 2b, 2c, and 2d below.



[10] Here, also reflected in direct effect value added.

Table 2b

Alexandria Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	35	$1,087,527	$1,551,688
Indirect Effect	5	$235,918	$1,004,788
Induced Effect	9	$425,585	$772,393
Total Effect	50	$1,749,030	$3,328,869

Baton Rouge Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	251	$7,745,865	$11,051,830
Indirect Effect	36	$1,680,314	$7,156,557
Induced Effect	65	$3,031,211	$5,501,332
Total Effect	353	$12,457,391	$23,709,719

Houma/Thibodaux Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	59	$1,824,132	$2,602,679
Indirect Effect	9	$395,710	$1,685,352
Induced Effect	15	$713,843	$1,295,550
Total Effect	83	$2,933,685	$5,583,581

Table 2c

Lafayette Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	204	$6,301,285	$8,990,697
Indirect Effect	30	$1,366,941	$5,821,880
Induced Effect	53	$2,465,899	$4,475,350
Total Effect	287	$10,134,125	$19,287,927

Lake Charles Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	46	$1,420,031	$2,026,106
Indirect Effect	7	$308,048	$1,311,995
Induced Effect	12	$555,705	$1,008,546
Total Effect	65	$2,283,784	$4,346,647

Monroe Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	34	$1,043,217	$1,488,467
Indirect Effect	5	$226,306	$963,849
Induced Effect	9	$408,245	$740,922
Total Effect	48	$1,677,768	$3,193,238

Table 2d

Orleans Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	993	$30,612,889	$43,678,587
Indirect Effect	144	$6,640,869	$28,283,847
Induced Effect	258	$11,979,827	$21,742,136
Total Effect	1,395	$49,233,585	$93,704,571

Shreveport/Bossier Metro Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	145	$4,475,131	$6,385,134
Indirect Effect	21	$970,792	$4,134,661
Induced Effect	38	$1,751,265	$3,178,364
Total Effect	204	$7,197,188	$13,698,159

Rest of State Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	101	$3,098,588	$4,421,078
Indirect Effect	15	$672,178	$2,862,846
Induced Effect	26	$1,212,579	$2,200,705
Total Effect	141	$4,983,346	$9,484,629

FISCAL IMPACT RESULTS

Economic activity generates tax revenues for the state and for local governments. Based on the estimated value of total earnings associated with industry employment and the average tax yield per dollar of earnings for sales tax, income tax, and other miscellaneous taxes and charges, the industry's activity supports approximately $2.1 million - $8.4 million of combined state and local tax revenue. These estimates are, of course, dependent upon the assumed share of self-employment and how broad the music industry is defined in the analysis. Of the combined estimates, local governments receive approximately $1 million - $4.1 million. The total local tax estimate is allocated to the metro areas. These tax results are reflected in Table 3 below.

Table 3

Fiscal Impact of Music Industry	Narrow	Broad
State Tax Revenue	$1,045,697	$4,243,361
Local Tax Revenue	$1,020,954	$4,142,956
of which:		
Alexandria Metro	$19,961	$78,210
Baton Rouge Metro	$207,748	$557,048
Houma / Thib Metro	$27,506	$131,183
Lafayette Metro	$105,529	$453,160
Lake Charles Metro	$29,600	$102,122
Monroe Metro	$25,613	$75,023
Orleans Metro	$507,118	$2,201,541
Shreve/Boss Metro	$57,842	$321,831
Rest-of-State	$40,037	$222,837
	$1,020,954	$4,142,956
Total State & Local Revenue	$2,066,651	$8,386,317

OTHER CONSIDERATIONS AND ESTIMATES

The estimates presented in this report are based on point-in-time reported direct employment in these industries for mid-2021, the latest County Business Patterns data available but just one year after the Covid-19 pandemic year of 2020. The pandemic caused deep and widespread disruptions to the economy as private behavior and public health measures were taken to contain its spread. The year 2021 was just beginning to exhibit the economic recovery from that pandemic, and still reflected many of those disruptions. Employment in the state had yet to attain pre-pandemic levels, especially in the service sector of the economy that contains the industries utilized in this analysis. Thus, estimates from this time frame likely understate what the size of these industries are in a fully recovered economy.

To assess the influence of the timing of data on these estimates, statewide county business patterns data for 2019 (pre-pandemic) were compared to the 2021 data utilized in this report. The reported employment in both the narrow and broad concept industries in 2019 was significantly greater than reported in 2021; by 57% for the narrow concept, and 97% for the broad concept. Thus, it seems likely that more current data would result in larger estimates of the industry. However, it is not likely that more current data would result in estimates near to or larger than what 2019 data relative to 2021 data may imply. Current total payroll employment in the state is still below its pre-

pandemic level[11], and current employment in both the narrow and broad industry concepts, while greater than in 2021, still appear substantially lower than in 2019[12]. When or if music industry employment gets back to pre-pandemic levels remains to be seen, and the estimates presented here may be construed as the current minimum size of the music industry in the state, with the ten percentage point sensitivity estimates providing some idea of what it takes to increase the base estimates to greater possible levels.

In addition, expenditures necessary to support the point-in-time employment basis of this report may not fully account for expenditures associated with consumers attending various musical events such as concert and festival tickets, event and artist merchandise, food and drink, transport, lodging etc. Information concerning these expenditures is generally unavailable, incomplete, and/or costly to compile.[13] However, limited information that is publicly available suggests these expenditures are substantial. For example, POLLSTAR[14] reports that in 2022, New Orleans was the 60th largest concert market in the country out of one-hundred markets listed, with 63 shows reporting $18.5 million of gross sales for 212,684 tickets[15]. No other Louisiana market was listed.

RIAA Report

The Recording Industry Association of America released an extensive report dated December 2020, The U.S. Music Industries: Jobs & Benefits, that estimated the 2018 economic impact of a broad concept of the music industry for the United States as a whole, as well as estimates for each state in the country. This report utilized various public and private datasets, with the music industry generally identified on the basis of industry classifications in the North American Industry Classification System (NAICS), as well as a RIMS II multiplier model, supplemented by a geographic breakout approach.[16] Notably, it was based on pre Covid-19 pandemic data and generated estimates based on the state of the industry and economy that existed before the disruptions caused by the pandemic and the private behavior and public health measures taken to contain its spread.

The RIAA report estimated U.S. level music industry establishments, receipts, direct & indirect employment, direct & indirect earnings, and value added. The percentages of final U.S. level estimates that were generated by each state were determined within the RIMSII methodology

[11] Total payroll employment reported for February 2024 is 1.8% (36,000) lower than in February 2020.

[12] U.S. Bureau of Labor Statistics data indicates that payroll employment in 2022 for the narrow industry concept was some 45% greater than in 2021, but 8% lower than in 2019, while the broad industry concept was some 14% greater than in 2021, but 42% lower than 2019.

[13] It should be noted here that the broad industry concept in this report incorporates over $150 million of total expenditures, and is likely to capture some portion of those types of expenditures.

[14] POLLSTAR provides data for the global concert industry, tracking artist and venue metrics as provided by participating entities.

[15] The two-page listing also indicated that the shows in the New Orleans market had an average ticket price of $86.95, a 12% increase from the prior year, and that the Orleans market ranking had declined by 16 positions from the prior year. Note that the listing gave no information as to what types of events constituted reported concerts, and the metrics for any particular year can be skewed by the presence or absence of major superstar tours during any particular year.

[16] With respect to the use of NAICS classifications and the RIMSII multiplier model (described in the RIAA report and in the methodology section of this report) with a geographic breakout aspect, the analytical approach of the RIAA report appears similar to the approach taken by the authors of this report on the specific Louisiana music industry. However, specific similarities are not known, and are not claimed by the authors of this report.

employed. Results for six states[17] prominent in the estimated music industry metrics were reported in some detail, while an appendix listed estimates of value added, employment, and establishments for each state. For Louisiana, the report estimated 30,049 jobs were supported by the music industry, along with $1.2 billion of value added, and 1,691 music establishments.[18]

The jobs and value added estimates for the state are substantially larger than those generated by this report. These differences can come from a variety of differences in the two analyses, including the time of the analysis, but likely the most significant difference is how the music industry is defined in the two reports. The RIAA report defines the music industry as including substantially more NAICS industries than we do; industries such as manufacturing of audio/video equipment (NAICS 334310), software and prerecorded CDs, tapes, and records (334614), and musical instruments (339992). Portions of durable goods wholesalers (423990), electronic stores (443142, distinct from music stores), radio stations (515112, apparently music programing and other types), portions of cable and other subscription programming (515210), portions of data processing and hosting (518210), portions of internet publishing, broadcasting, and web search portals (519130), and apparently all of promoters of performing arts, agents and managers for artists, and independent artists (711410 & 711510, apparently music-related and other activities).

This expansive definition of the music industry may be appropriate for the purposes of the RIAA, but from the perspective of strictly estimating the value of music production and performance in a particular state, we chose not to include such an expansive definition in this report. While the RIAA report indicates that only portions of certain industries were included in the analysis, and the authors of this report discuss above ad hoc adjustments made to the direct inputs for the same reason of trying to include only portions of certain aggregated industries attributable to music activity, the RIAA report appears to define the music industry substantially more broadly than the authors of this report and, consequently generates estimates of the industry's economic size that are substantially larger than this report.[19]

NOME Report

Greater New Orleans Inc, a regional economic development organization, has collaborated with the business community and the creative industry to establish the New Orleans Music Economy (NOME) Making Music Make Money initiative. That initiative has developed an extensive action plan identifying the strengths, weaknesses, and many components of the Orleans area music culture and economy and recommends actions to enhance the capture of the broad intellectual

[17] These states are California, New York, Tennessee, Florida, Pennsylvania, and Texas.

[18] The website 50statesofmusic.com, apparently supported by the RIAA and reporting the same employment, value added, and establishments figures for Louisiana, also reported for the state forty specific music venues and festivals, three public university music schools, and eight music conferences. Also reported were 2,997 royalty recipients, and 25,150 songwriters.

[19] A technical note here is that some of the industries included in both reports as direct inputs might also be considered indirect industries supporting the direct music industry businesses (for example, agents and managers). To the extent that the input-output modeling approach already captures the trade flows between these industries, a larger estimate of the economic size of the music industry will result than otherwise. In addition, whether music is produced and/or performed in any particular location (nation or state) some of these industries will likely exist and operate anyway (for example, radio stations). Inclusion in the analysis results in a larger economic size of the music industry than otherwise. Finally, neither report includes drinking establishments (NAICS 72241) where the provision of regular or frequent music entertainment is a major aspect of their business model; although, the sensitivity of this omission is discussed by this report.

property of the music culture of the area. This plan includes an economic impact analysis of the music industry in the Orleans area. This analysis utilized various public and private datasets, with the music industry generally identified on the basis of industry classifications in the North American Industry Classification System (NAICS), as well as a RIMS II multiplier model. It too was based on pre-Covid-19 pandemic data and generated estimates based on the state of the industry and economy that existed before the disruptions caused by the pandemic and the private behavior and public health measures taken to contain its spread. The geographic scope of its assessment is limited to the greater New Orleans region.[20]

The NOME report estimates direct, indirect, and induced effects for employment, earnings, and value added for the defined Orleans region. Estimated total employment was 9,764, $293.6 million of earnings, and $560.5 million of value added.[21] These estimates are substantially larger than those of this report for the Orleans MSA, and even for the state as a whole.

As with the RIAA report, much of this difference likely results from the differences in the time frame of the report and how the music industry is defined. The NOME report defines the music industry as including substantially more NAICS industries and more direct employment than we do, such as dance and other performing arts companies (711120), independent artists, writers, and performers, agents and managers for artists, athletes, entertainers, and other public figures (71132), drinking places with alcoholic beverages (72241), promoters of performing arts, sports and similar events without facilities, radio broadcasting (51511), and fine arts schools (611610). The report appears to include all the employment in these industries.

This expansive definition of the music industry may be appropriate for the purposes of the NOME initiative, but from the perspective of strictly estimating the value of music production and performance we chose not to include such an expansive definition in this report. Given the expansive definition of the music industry in the NOME report, its estimates of the industry's economic size are substantially broader than this report.[22] With nearly six times the direct metro

[20] The region is defined by zip codes in the parishes of Orleans, Jefferson, Washington, St. Tammany, St. James, St. Charles, St. Bernard, and Plaquemines. The region is an approximation of the MSA region utilized by this report, but does not include any zip codes in St. John the Baptist Parish which is included in the Orleans MSA.

[21] Complete estimates were Employment: 5,906 direct, 1,986 indirect, 1,872 induced; Earnings: $147.1 million direct, $76.6 million indirect, $69.9 million induced; Value Added: $247.9 million direct, $212.8 million indirect, $72.8 million induced.

[22] The NOME report does explicitly attempt to include the live music component of the industry centered in drinking establishments, which this report does not attempt to include, due to an inability to distinguish among the drinking establishments whose business model relies on live music from those whose business does not. This report does include an example of the sensitivity of the results to the exclusion of that industry. However, as in the NOME report, if all employment in the NAICS industry of drinking places with alcoholic beverages were included in this report, direct employment of some 2800 would be added to the analysis for the Orleans metro area alone, and 5000 statewide. Similar technical notes are applicable here as in reference to the RIAA report, in that some of the industries included in the reports as direct inputs might also be considered indirect industries supporting the direct music industry businesses (for example, agents and managers). To the extent that the input-output modeling approach already captures the trade flows between these industries, a larger estimate of the economic size of the music industry will result than otherwise. In addition, whether music is produced and/or performed in any particular location, some of these industries will likely exist and operate anyway (for example, radio stations). Inclusion in the analysis results in a larger economic size of the music industry than otherwise.

Orleans employment included in the NOME report compared to this report, the resulting total employment for metro Orleans is nearly seven times larger.

CONCLUSIONS

- A narrow concept of the music industry (musical groups and sound recording) has direct 2021 payroll employment of approximately 333 and $16 million of earnings, supporting total employment of 487 and $23 million of earnings. Total value added in the economy is estimated at $55 million.
- Self-employment in the narrow industry concept is built into the estimates above at 9.4%, with each ten percentage points of additional self-employment share worth some 52 additional total jobs, $2.4 million of earnings, and $5.8 million of value added.
- A more broad concept of the music industry (adding festival/concert businesses, instruction, and instrument sales/rental/repairs) has direct 2021 payroll employment of approximately 1,869 and $58 million of earnings, supporting total employment of 2,624 and $93 million of earnings. Total value added in the economy is estimated at $176 million.
- Self-employment in the broader industry concept is also built into the estimates above at 9.4%, with each ten percentage points of additional self-employment share worth some 275 additional total jobs, $9.7 million of earnings, and $18.4 million of value added.
- Estimates of the broad industry concept do not include drinking establishments where the establishment business model is reliant on live music performance. Each ten percent of employment in drinking establishments added to the broad industry concept is worth some 680 additional total jobs, $24 million of earnings, and $37 million of value added.
- Value added supported by the industry is distributed across the state, with the Orleans, Baton Rouge, and Lafayette metro areas containing a combined 80% of direct value added in the narrow industry case, and 77% in the broad industry case.
- Combined state and local tax receipts associated with the industry are estimated at $2.1 million in the narrow industry case to $8.4 million in the broad industry case. These combined totals are split nearly 50/50 between state government and local governments. The local tax share is distributed across the state, with the Orleans, Baton Rouge, and Lafayette metro areas accruing nearly 80% of these receipts in the narrow industry case, and 78% in the broad industry case.
- Economic and fiscal estimates will likely be higher as the state economy puts the Covid-19 pandemic disruptions farther and farther behind it, and detailed data reflecting post-pandemic employment levels becomes available.
- Other estimates of the size of the music industry / economy are larger than reported here due to being based on pre-pandemic employment levels and to more expansive inclusion of industries considered as the music industry. In addition, the estimates of this report would be larger with inclusion of more information on expenditures associated with live performances at concerts and festivals.

Methodology

To estimate the economic impacts of the music industry in the state, we use the Regional Input-Output Modeling System (RIMS II). RIMS II was created and is maintained by the Bureau of Economic Analysis (BEA), part of the U.S. Department of Commerce. RIMS II is an input-output (I-O) model that is based on a detailed set of industry accounts that measure the goods and services produced by each industry. Large underlying data sets trace the flow of goods and services throughout the economy to final users. RIMS II is considered a backward linkages model, in that an increase in demand for an output results in an increase in demand for the inputs needed to create that output.

It is important to note that commodity flows are area specific and that they therefore allow modelers to consider the impact of specific investments in specific locations. In addition to RIMS II, we may also utilize data from other United States government agencies such as the Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis.

Both "Type I" and "Type II" multipliers are provided by RIMS II. Type II multipliers account for both the interindustry and household spending of a final demand-change. Type I multipliers account for only the inter-industry effect. Thus, Type II multipliers, by definition, are larger than Type I multipliers. Utilizing these multipliers, the authors further dissect economic impacts into ``Direct," ``Indirect," ``Induced," and ``Total" impacts. Where total impacts are identical to RIMS II Type II multipliers, and Direct + Indirect impacts are identical to RIMS II Type I multipliers.

Input-Output models, such as the one utilized here, tend to overestimate effects due to their static and linear construction in that they do not allow for wage and price adjustments and the associated substitution effects in the economy. Thus, impact analysis based on these models is not truly dynamic in an economic sense, but reflects the inputs necessary to generate units of output given the structure of the economy existing when the models were created.

We estimate impacts on employment, earnings, and value added. Employment includes counts of workers at establishments that employ workers in relevant sectors full-time, part-time or temporary, and do not reflect the number of persons employed[23]. Earnings (synonymous with "labor income") includes wages and salaries, proprietors' income, plus employer contributions to insurance, pensions, and social insurance. Value added represents the incremental contribution to gross domestic product (GDP) of each stage of production, and avoids the double counting embedded in the output concept often reported in impact reports. Earnings are a major component of value added.

For this report we utilize the study area of Louisiana, and allocate statewide results to metropolitan areas of the state based on gravity models of trade, for which a metro area's share of total impacts is based on both its distance from the project location as well as the sectoral employment in that region. Therefore, areas that are closer in geographic proximity and have larger labor markets will be allocated larger shares of the economic impact. Sectoral level economic inputs to the model were obtained from the County Business Patterns Program of the Bureau of the Census, U.S. Department of Commerce.

[23] For example, a single person employed at two or more establishments would be counted as two or more jobs.

Specifically, U.S. Census Bureau, County Business Patterns employment levels were obtained for each relevant NAICS industry for the state as a whole and for the state's MSAs. Utilizing the RIMS II multiplier relationships for Louisiana industries, the reported employment was translated into the associated final demand. The model estimates statewide impacts and allocates those effects to the metro areas of the state. We report these effects for the state as a whole, for each metro area where the activity occurred, and the balance of the state.

Economic activity generates tax revenue for government. When goods are purchased, sales taxes are paid. When workers earn income and companies earn profits, income taxes are paid. Various other fees and charges are also generated for government. Tax impacts are estimated based on the average tax yield of a dollar of earnings for the state and local areas, then allocated to the metropolitan areas of the state.

About The Authors

Greg Albrecht was the Chief Economist of the Louisiana Legislative Fiscal Office for nearly thirty years, retiring from that post at the start of 2022, and was with the Office for a total of thirty-six years. As Chief Economist he was responsible for state revenue forecasting for the Consensus Revenue Estimating Conference that determined much of state resources available for appropriation each year. Prior to and during a portion of that role, he was a budget analyst in the office responsible for various state agencies and programs. He is currently a research fellow with the LSU Center for Energy Research assisting in economic impact analysis of energy projects in the state. He received his B.S and M.S. in economics from LSU, taught full time at the school for two years before moving to the La Legislature. He has held a longstanding adjunct instructor position in the LSU Economic Department, Baton Rouge Campus.

Dr. Greg Upton is Associate Research Professor at the Louisiana State University Center for Energy Studies. As of January 2023, he has been the interim executive director of the Center. His research interests are related to the analysis of economic, environmental and public policy issues in the energy industry. He is the developer of the Louisiana Economic Impact Model (LEIM) that is utilized in this analysis of the sound recording program.

During his tenure at LSU, Dr. Upton has addressed a number of topical energy issues of significance to Louisiana, including Louisiana mineral taxes, solar tax credits, and net metering policies, the impact of the oil price collapse on Louisiana's budgetary challenges, and implications of the crude oil export ban's lifting on the Louisiana economy, among others. He has taught courses the Department of Environmental Sciences and Department of Economics at LSU and is a program faculty member at Michigan State University's Institute of Public Utilities.

Dr. Upton holds a Ph.D. in Economics from Louisiana State University where he also received both an M.S. in economics and a B.S. in economics with a concentration in empirical analysis.

Technical Reference

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Economic and Fiscal Impact of the Louisiana Music Economy
2019 Statewide Data
Prepared by Albrecht & Associates, LLC

INTRODUCTION

This brief is an addendum to an earlier report that estimated the economic impact of the music industry in the state of utilizing 2021 reported payroll employment data from the U.S. Census Bureau's County Business Patterns Program. That data is the latest necessarily detailed data available from which to base such an estimate. However, that data reflects the early or immediate post-pandemic economy, and likely understates the size of the industry today and as of the immediate pre-pandemic 2019 year. It was discussed in the earlier report that the current size of the economy in general, including the music industry, has not likely re-achieved its pre-pandemic size, and that the post-pandemic data for 2021 likely understates the current size of the industry. In the earlier report sensitivity analysis was provided as a way to address the effect of the timing of available data on the estimates.

In this addendum, the statewide size of the music economy is estimated utilizing the Census Bureau's 2019 data in order to get a feel for what the industry might re-achieve. However, it remains to be seen if the post-pandemic economy in general, and any industry in particular, will simply re-achieve the size and structure that existed immediately prior to the pandemic. That said, the following estimates provide some idea of what can be as the economy continues to put the Covid-19 pandemic of 2020 behind it.

ECONOMIC IMPACT RESULTS

Below, are presented results of analysis of the economic impact of the music industry in the state utilizing 2019 data reflecting the period immediately prior to the Covid-19 pandemic of 2020, as well as compare them estimates based on 2021 data reflecting the period immediately after the Covid-19 pandemic of 2020. These results are presented in two cases based on the breadth of the music industry to be considered. The first case considers a narrow concept of the music industry, comprised of music performance and sound recording activity. The second case broadens the concept of music industry to include the festival and concert business, non-academic music instruction, and musical instrument rental and repair. Impacts are presented only for the state as a whole. Total impacts are broken down into direct effects, indirect effects, and induced effects.

A consequential technical note to the following estimates is that they are based on establishment payroll counts[1]. These counts are likely to understate the true employment and economic activity associated with almost any industry simply because they do not include self-employment, which may result in an understatement of the economic size and impact of the industry. Performing musicians, even those performing frequently or regularly, are especially likely to have payroll employment unrelated to their musical "work", and are not payroll employees of any musical enterprise. To recognize this likelihood, the direct employment counts utilized in both the narrow and broad music industry concepts were increased by 9.4%; the all-industry nationwide estimate

[1] The direct inputs into the analysis are payroll employment figures reported for March 2019 by the U.S. Census Bureau's County Business Patterns program. This is the data available for the period immediately preceding the Covid-19 pandemic at the level of detail necessary to estimate the economic size of the music industry at the state level.

of self-employment share of total employment.[2] To the extent the Louisiana music industry exhibits a different self-employment share than this, the estimates that follow may understate the actual size and impact of the music industry in the state if the music industry has a higher share of self-employed workers than the all-industry average (which is perhaps likely given the nature of the work). While the earlier report provided sensitivity analysis to assess this assumption, this addendum does not.

Narrow Music Industry Concept

Estimating any industry's size in the economy requires defining what economic activities are included in such analysis. We begin with a narrow concept of the music industry. In this narrow concept we included only two industry groups that can clearly be considered the music industry: musical groups and artists, and sound recording industries.[3] These are establishments and individuals with reported payroll employment that provide live musical performances or produce and distribute musical recordings. As previously mentioned, we have increased the direct employment of these two groups in acknowledgment of potential self-employment. The results for both years' data are displayed in Tables 1 below[4].

Table 1, 2021 Data
Economic Impact of Narrow Music Industry Concept

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	333	$15,891,556	$30,917,331
Indirect Effect	35	$1,384,220	$13,861,366
Induced Effect	119	$5,556,056	$10,082,948
Total Effect	487	$22,831,832	$54,861,645

Table 1, 2019 Data
Economic Impact of Narrow Music Industry Concept

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	388	$18,558,252	$34,166,653
Indirect Effect	39	$1,552,104	$15,143,750
Induced Effect	139	$6,467,797	$11,737,481
Total Effect	567	$26,578,154	$61,047,884

[2] Based on the share of U.S. employment that is estimated to be self-employed. Note that this national average can vary across industries and states. U.S. Census Bureau, American Community Survey.

[3] The North American Industrial Classification System (NAICS 71113) describes musical groups and artists as comprising groups primarily engaged in producing live musical entertainment (except theatrical musical or opera productions) and independent (i.e., freelance) artists primarily engaged in providing live musical entertainment. NAICS 5122 describes sound recording industries as composed of establishments primarily engaged in producing and distributing musical recordings, publishing music, or providing sound recording and related services. One hundred percent of the reported employment in these classifications was included in the analysis.

[4] Note that the full values displayed in all tables of the report reflect spreadsheet calculation precision and not analytical estimating precision.

Note that based on the combined direct and indirect effects, the narrow concept of the music economy in the immediate pre-pandemic year of 2019 was some 16% larger than in the immediate post-pandemic year of 2021, with respect to employment and labor income, and 10% larger with respect to economic value added. In absolute terms, 60 additional jobs, $2.8 million more labor income, and $4.5 million more value added. Induced effects were comparably larger, as well.

The indirect effect reflects purchases by the musical groups and recording entities from other in-state businesses to support the business activities of the musical groups and recording studios. This effect does not reflect the purchases made by other businesses that provide venue, concert, and festival opportunities for live performances by the groups. The induced effect reflects purchases by the employees of these businesses for their own consumption.

Broad Music Industry Concept

The music industry is often thought of in a broader context that includes the businesses that provide performance opportunities for live musical performances such as concerts and festivals. A broad concept of the music economy may also include music instruction and musical instrument sales or rentals, and repairs, as well as retail music instrument stores that support the development of musicians in general. However, the additional industries added for the broadened concept of music industry include a number of business activities that are not music-related, with no itemization of employment in each of the various business activities aggregated into each industry. Thus, an adjustment was made to each added industry to include only a portion of the industry's employment in the analysis. This music share adjustment is simply the ratio of music-related entities or activities to all the entities or activities included in each industry; an admittedly ad hoc adjustment that acknowledges the certain existence of music-related entities or activities in each industry, but also imposes a degree of uncertainty to the analysis.[6] This leads to another issue that

[6] NAICS 711310 & 71132 describes promoters of performing arts, sports, and similar events with and without facilities as primarily engaged in organizing, promoting, and/or managing live performing arts productions, sports events, and similar events, such as state fairs, county fairs, agricultural fairs, concerts, and festivals, held in facilities that they manage and operate themselves or are managed and operated by others and/or managing and providing the staff to operate arenas, stadiums, theaters, or other related facilities for rent to other promoters. Theatrical (except motion picture) booking agencies are included in these industries. Thirty-one percent of this employment was included in the analysis. NAICS 611610 describes (non-academic) fine arts schools as primarily engaged in offering instruction in the arts, including dance, art, drama, and music. Thirty-five percent of this employment was included in the analysis. NAICS 532289 describes all other consumer goods rental as primarily engaged in renting consumer goods and products (except consumer electronics and appliances; formal wear and costumes; prerecorded video tapes and discs for home electronic equipment; home health furniture and equipment; and recreational goods). Included in this industry are furniture rental centers and party rental supply centers. Fifteen percent of this employment was included in the analysis.
NAICS 811490 describes other personal and household goods repair and maintenance as primarily engaged in repairing and servicing personal or household-type goods without retailing new personal or household-type goods (except home and garden equipment, appliances, furniture, and footwear and leather goods). Establishments in this industry repair items, such as garments; watches; jewelry; musical instruments; bicycles and motorcycles; and motorboats, canoes, sailboats, and other recreational boats. Eight percent of this employment was included in the analysis.

is appropriately mentioned here; that is, where to draw the line on how expansively to define the music industry or music economy. In this report we have attempted to include what are clearly music producing industries in the state (the narrow concept of musical groups & artists and sound recording), as well as associated industries that seem driven by the performance of music in the state (festivals & concerts) regardless of whether the music originated from a Louisiana-based entity, and extending even to music instruction and instrument sales, rental, and repair. These music-related industries were thought of as comprising the music economy for the purposes of this report.

The results of broadening the music industry concept to include the narrow concept initially estimated as well as those additional industries mentioned immediately above (inclusive of a 9.4% self-employment adjustment) are displayed for both years' data in Tables 2 below.

Table 2, 2021 Data
Economic Impact of Broad Music Industry Concept

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	1,869	$57,608,666	$82,196,265
Indirect Effect	271	$12,497,076	$53,225,773
Induced Effect	485	$22,544,160	$40,915,298
Total Effect	2,624	$92,649,903	$176,337,339

Table 2, 2019 Data
Economic Impact of Broad Music Industry Concept

Louisiana Impacts			
Impact Type	**Employment**	**Labor Income**	**Value Added**
Direct Effect	3,247	$83,373,476	$107,213,953
Indirect Effect	457	$18,987,048	$88,072,986
Induced Effect	708	$32,915,911	$59,739,821
Total Effect	4,412	$135,276,435	$255,026,764

Note that the pandemic appears to have had a materially larger impact on the broad music industry than on the narrow concept. Based on the combined direct and indirect effects, the broad concept of the music economy in the immediate pre-pandemic year of 2019 was some 73% larger than in the immediate post-pandemic year of 2021 with respect to employment, 46% larger with respect to labor income, and 44% larger with respect to economic value added. In absolute terms, 1,564 additional jobs, $32.3 million more labor income, and $59.9 million more value added. Induced effects were 46% larger across employment, income, and value added. While the narrow music

NAICS 451140 describes musical instrument and supplies retailers as primarily engaged in retailing new musical instruments, sheet music, and related supplies; or retailing these new products in combination with musical instrument repair, rental, or music instruction. One hundred percent of this employment was included in the analysis.

industry concept may not have far to go to return to its pre-pandemic size, it will take more to return the more varied broad music economy to its pre-pandemic size.

It is material to note here that these broad industry results for either year do not include the industry of Drinking Establishments (with alcoholic beverages); an industry that (anecdotally at least) provides much of the opportunities for live music performance. This industry was excluded from the analysis because the NAICS (72241) information does not allow for a distinction of those establishments where live music is a primary component of their business model. While the sensitivity of the results to this exclusion was discussed in the earlier report, it is not addressed in this addendum.

FISCAL IMPACT RESULTS

Economic activity generates tax revenues for the state and for local governments. These tax revenue estimates are based on the estimated value of total earnings associated with industry employment and the average tax yield per dollar of earnings for sales tax, income tax, and other miscellaneous taxes and charges. These estimates are, of course, also dependent upon the assumed share of self-employment and how broad the music industry is defined in the analysis. The results for both years' data are displayed in Tables 3 below.

Table 3, 2021 Data

Fiscal Impact of Music Industry	Narrow	Broad
State Tax Revenue	$1,045,697	$4,243,361
Local Tax Revenue	$1,020,954	$4,142,956
Total State & Local Revenue	$2,066,651	$8,386,317

Table 3, 2019 Data

Fiscal Impact of Music Industry	Narrow	Broad
State Tax Revenue	$1,217,278	$6,195,654
Local Tax Revenue	$1,188,475	$6,049,054
Total State & Local Revenue	$2,405,753	$12,244,708

Comparable to the difference in results discussed above, the 2019 immediate pre-pandemic level of combined state and local tax receipts is some 16% larger than for the 2021 immediate post-pandemic period with respect to the narrow music industry concept, and some 45% larger with respect to the broad industry concept.

Economic and Fiscal Impact of the Louisiana Sound Recording Investor Tax Credit Program, 2023

Prepared by Albrecht & Associates, LLC

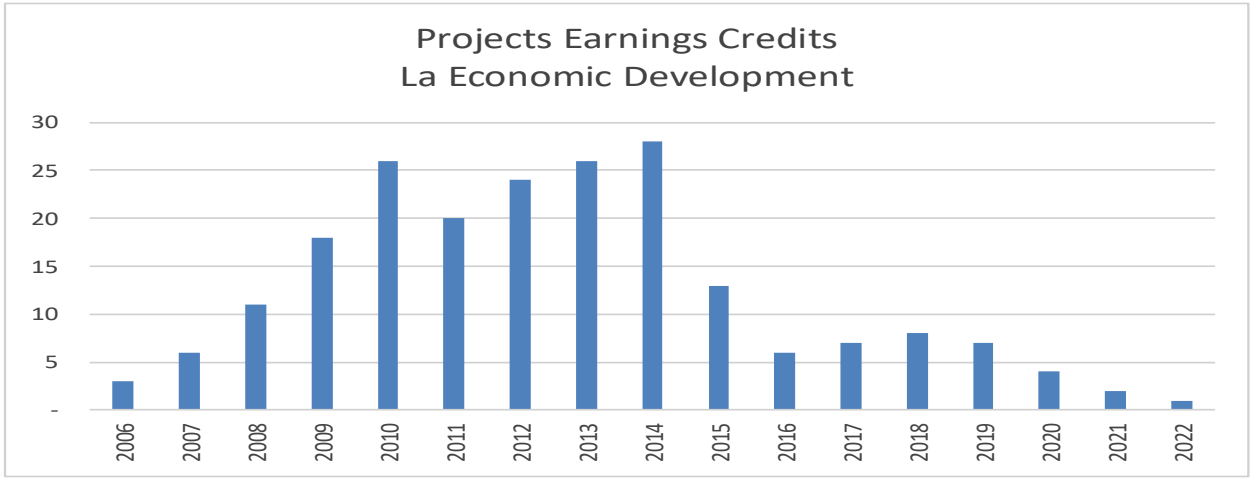
Submitted to Louisiana Entertainment, Louisiana Economic Development

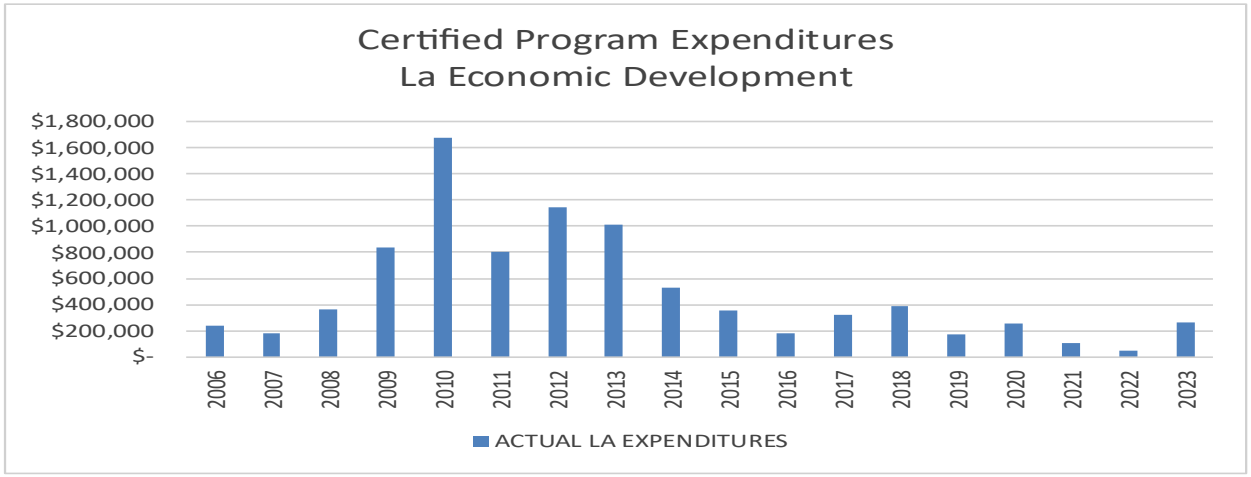
INTRODUCTION

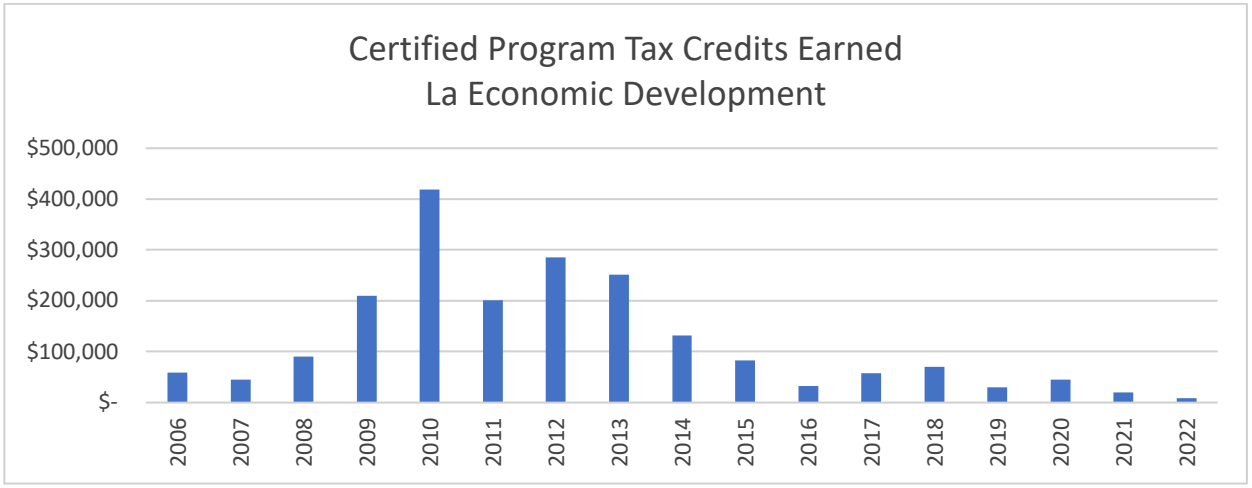
Pursuant to LA R.S. 47:6023(D)(5), Louisiana Economic Development (LED) is required to provide a biennial analysis of the Sound Recording Investor Tax Credit Program that it administers; a program to encourage sound recording activity and employment within the state. This report estimates the economic and fiscal impacts associated with the program for activity certified in state fiscal year 2023. Since the recording activity occurred in prior calendar years, specifically 2020 – 2022, the analysis should be understood to estimate the impact of the program in general, and is not an estimate of impact in any particular calendar or fiscal year.

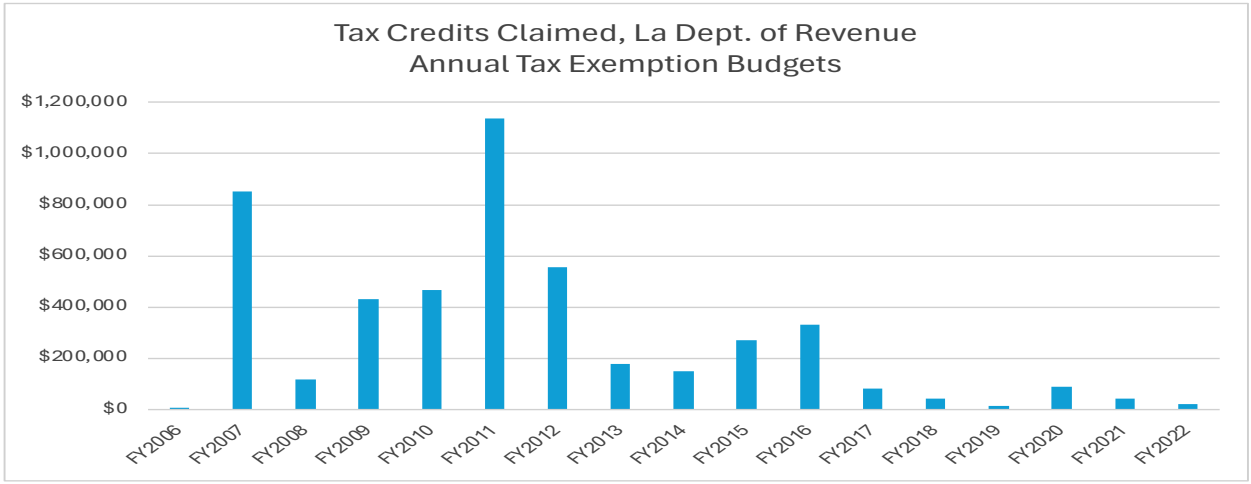
The program supports studio music recording in Louisiana. Eligible productions include studio music recordings, live musical performances, film scores, poetry, or spoken word performances made in Louisiana and produced in Louisiana in whole or in part. More specifically, the program provides a tax credit of 18% of eligible expenditures including studio and producer fees, musician salaries, mixing and mastering costs, instrument and equipment rental, and hotel, travel, and catering costs. Minimum project expenditures of $25,000 are required with at least $10,000 expended for Louisiana residents. The program as a whole is currently limited to $2.16 million of credits per year, and no more than $100,000 per project per year.

Displayed below are charts depicting major program metrics for each year since inception, including project counts, certified expenditures, certified tax credits, as well as credits claimed from the La Department of Revenue.









As can been seen in the charts above, program participation and activity grew in its early years from 2006, but largely leveled off after 2010, and began declining by 2012. In 2022, only one

project earned credits. According to conversations with LED, the early growth in the program was likely associated with a higher tax credit rate that was reduced in 2015[1]. In addition, the program originally included credits for new infrastructure, and the Covid-19 pandemic and afrtermath has likely suppressed activity in recent years.

The credit claim data from the Department of Revenue includes claims for sound recording infrastructure projects[2], and does not break them out from the sound recording production projects. However, it too displays a pattern of usage similar to the LED program participation data.

ECONOMIC IMPACT RESULTS

Next, we present an analysis of the economic impact of projects receiving tax credit certifications during state fiscal year 2023 (July 2022 – June 2023, FY2023), the program data was made available after the close of that fiscal year in August of 2023[3]. Table 1 below summarizes the activity certified in FY2023. Five projects made expenditures and earned tax credits over the three calendar years of 2020 – 2022[4].

Table 1

Projects Receiving Certifications in 2023

Number of Projects	5
Total Certified Expenditures	$262,386
Total Certified Labor Earnings	$250,061
Total Certified Tax Credits	$47,229

The sound recording activity supported general economic activity in the state and the local areas where the projects occurred, and estimates of that economic activity are summarized in Table 2 below.

[1] The early years of the program offered a 25% tax credit for eligible expenditures, reduced to 18% in 2015.
[2] The last sound recording infrastructure project was certified by LED in early 2013 for credits earned in 2012.
[3] Subsequent analysis will be provided for projects receiving tax credit certifications during state fiscal year 2024 (July 2023 – June 2024), the program data for which will be available after the close of that fiscal year in August of 2024.
[4] Four of the five projects occurred in the Baton Rouge metro area, and one in the New Orleans metro area.

Table 2

Economic Impact of Certified Projects

Louisiana Impacts			
Impact Type	**Employment (Job Years)**	**Labor Income**	**Value Added**
Direct Effect	2	$250,061	$975,185
Indirect Effect	0	$38,013	$481,171
Induced Effect	1	$92,619	$168,098
Total Effect	3	$380,693	$1,624,454
Baton Rouge Metro Impacts			
	Employment (Job Years)	**Labor Income**	**Value Added**
Direct Effect	1	$229,960	$795,363
Indirect Effect	0	$31,004	$392,444
Induced Effect	1	$75,540	$137,101
Total Effect	2	$310,494	$1,324,909
Orleans Metro Impacts			
	Employment (Job Years)	**Labor Income**	**Value Added**
Direct Effect	1	$20,101	$125,890
Indirect Effect	0	$4,907	$62,116
Induced Effect	0	$11,956	$21,700
Total Effect	1	$49,145	$209,706
Rest of State Impacts			
	Employment (Job Years)	**Labor Income**	**Value Added**
Direct Effect	0	$0	$53,932
Indirect Effect	0	$2,102	$26,611
Induced Effect	0	$5,122	$9,297
Total Effect	0	$21,054	$89,840

Metro area results may not sum to statewide results due to rounding.

Project activity supported approximately 3 jobs per year over the three years of projects analyzed (2020 – 2022), approximately $380,000 of household earnings in the state, and contributed approximately $1.6 million to Louisiana Gross State Product (or state value added)[5]. We estimate 82% of the value added and earnings results accrue to the Baton Rouge metropolitan area, 13% to

[5] It is relevant here to point out that Input-Output models utilized here and described below tend to overestimate effects due to their static and linear construction in that they do not allow for wage and price adjustments and the associated substitution effects in the economy. Having noted that, these results are small in the context of the overall state economy as reported for 2022 by the U.S. Commerce Dept, Bureau of Economic Analysis: relative to state GDP of $292 billion, state personal income of $250 billion, and total employment of 2.8 million.

the Orleans metropolitan area, with a residual of 6% to the rest of the state[6]. These results are also broken down into the direct earnings (reported to LED by program participants) and associated value added, as well as the indirect earnings and value added by suppliers to the productions and, the induced earnings and value added from the spending of the individuals involved in all stages of production on their own personal consumption[7].

FISCAL IMPACT RESULTS

Economic activity generates tax revenues for the state and local governments. Based on the estimated value of total earnings associated with program participation and the average tax yield per dollar of earnings for sales tax, income tax, and other miscellaneous taxes and charges, the program's activity supports approximately $35,000 of state and local tax revenue, split nearly equally between state and local governments. The total local tax estimate is allocated to the Baton Rouge and Orleans metro areas based on their estimated respective shares of statewide earnings and gravity models of trade, with the rest of the state allocated the balance. These tax results are reflected in Table 3 below.

Table 3
Fiscal Impact of Certified Projects

State Tax Revenue	$17,436
Local Tax Revenue	$17,783
of which:	
Baton Rouge Metro	$14,504
Orleans Metro	$2,296
Rest of State	$983
	$17,783
Total State & Local Revenue	$35,219

RETURN ON THE STATE'S INVESTMENT

While both state and local governments receive tax revenue from economic activity associated with the program, the state also incurs costs specifically attributable to the program in the form of tax credits awarded to the projects; effectively covering some of the costs of production. Thus, a return on that investment tax credit cost can be calculated for the state[8]. Note that any costs of

[6] The statewide and metro area results were generated by the Louisiana Economic Impact Model described in the appendix.

[7] The models utilized are mathematical calculations that will generate results with even the smallest of input values inserted. This program has fairly small direct input values, and the resulting specific output values and magnitudes estimated should be viewed with particular caution.

[8] Such calculations must assume that the tax credit program alone caused the sound recording activity to occur. This is a strong assumption, and may not be reasonable. Thus, the calculations are more appropriately couched in terms of economic and fiscal results associated with participation in the program rather than caused by the program costs.

administering the program are not included in this analysis. Both estimated economic and fiscal returns are depicted in Table 4 below.

Table 4
State Return On Investment

State Tax Credits Certified	$47,229
State Value Added	$1,624,454
Economic Return (VA per $1 of tax credit)	$34.40
Employment	3
Cost Per Job Year	$15,743
Household Earnings	$380,693
Economic Return (Earnings per $1 of tax credit)	$8.06
State Tax Receipts	$17,436
State Fiscal Return (State tax receipts per $1 of tax credit)	$0.37

As can be seen in Table 4 above, there can be economic returns associated with the program. These returns can be considered net gains to the state economy if the participating sound recording activity would not have occurred in the absence of the tax credit program. Regardless, the fiscal costs to state government are 63¢ per $1 of tax credit. These estimates do not account for the opportunity cost of these credit resources inherent in the balance budget constraint that state government operates within.

With regard to the fiscal effects, this issue is not as relevant for local governments. They receive tax receipts from the activity of program participants without having to fund the program's tax credit costs. Thus, any positive returns are net gains to local government, so long as it is assumed that the program alone caused the activity to occur.

CONCLUSIONS

- The sound recording tax credit program had increasing participation in its early years, but usage has declined significantly in recent years after the tax credit rate was reduced in 2015.
- Each dollar of tax credit awarded in the program, is associated with up to $34 of total value added (state gross domestic product) in the state economy.
- Each dollar of tax credit awarded in the program, is associated with up to $8 of total household earnings in the state economy.
- Each job in the economy associated with the program cost the state at least $17,000.
- Each dollar of tax credit awarded in the program is associated with up to 37¢ of state tax receipts (and a comparable amount of local tax receipts).
- Estimated returns to the state from the program are best case or maximum returns because they rely on the assumption that the program alone caused the participating sound recording activity to occur, and they do not account for the opportunity cost of these credit resources inherent in the balanced budget constraint that state government operates within.

Methodology Appendix

The purpose of the report is to estimate the economic and fiscal impacts of the sound recording activity participating in the Louisiana Sound Recording Investor Tax Credit Program. To estimate the economic impacts of this activity, we use the Regional Input-Output Modeling System (RIMS II). RIMS II was created and is maintained by the Bureau of Economic Analysis (BEA), part of the U.S. Department of Commerce. RIMS II is an input-output (I-O) model that is based on a detailed set of industry accounts that measure the goods and services produced by each industry. Large underlying data sets trace the flow of goods and services throughout the economy to final users. RIMS II is considered a backward linkages model, in that an increase in demand for an output results in an increase in demand for the inputs needed to create that output.

It is important to note that commodity flows are area specific and that they therefore allow modelers to consider the impact of specific investments in specific locations. In addition to RIMS II, we may also utilize data from other United States government agencies such as the Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis.

Both ``Type I'' and ``Type II'' multipliers are provided by RIMS II. Type II multipliers account for both the interindustry and household spending of a final demand-change. Type I multipliers account for only the inter-industry effect. Thus, Type II multipliers, by definition, are larger than Type I multipliers. Utilizing these multipliers, the authors further dissect economic impacts into ``Direct,'' ``Indirect,'' ``Induced,'' and ``Total'' impacts. Where total impacts are identical to RIMS II Type II multipliers, and Direct + Indirect impacts are identical to RIMS II Type I multipliers.

We estimate impacts on employment, earnings, and value added. Employment includes counts of workers at establishments that employ workers in relevant sectors full-time, part-time or temporary, and do not reflect the number of persons employed[9]. Since the projects and associated employment occurred over a three year period, the aggregate amount of employment generated by

[9] For example, a single person employed on two or more projects over time would be counted as two or more jobs.

the model was divided by three to annualize the employment result. Earnings (synonymous with ``labor income'') includes wages and salaries, proprietors' income, plus employer contributions to insurance, pensions, and social insurance. Value added represents the incremental contribution to gross domestic product (GDP) of each stage of production, and avoids the double counting embedded in the output concept often reported in impact reports. Earnings are a major component of value added.

For this report we utilize the study area of Louisiana, and allocate statewide results to metropolitan areas of the state based on gravity models of trade, for which a metro area's share of total impacts is based on both its distance from the project location as well as the sectoral employment in that region. Therefore, areas that are closer in geographic proximity and have larger labor markets will be allocated larger shares of the economic impact. Sectoral level economic inputs to the model were provided by Louisiana Economic Development (LED).

Specifically, LED provided total expenditures for each of the five projects certified in state fiscal year 2023. The large bulk of the total expenditures were reported as labor payments by all five projects, with only a minor amount of other non-labor expenditures reported by three of the projects. Utilizing the RIMS II multiplier relationships for the Louisiana sound recording industry, the reported labor payments were translated into the associated amount of final demand. The model estimates statewide impacts and allocates those effects to the metro areas of the state. We report these effects for the Baton Rouge and Orleans metro areas (where the activity occurred), and the balance of effects aggregated into the rest of the state.

Economic activity generates tax revenue for government. When goods are purchased, sales taxes are paid. When workers earn income and companies earn profits, income taxes are paid. Various other fees and charges are also generated for government. Tax impacts are estimated based on the average tax yield of a dollar of earnings for the state and local areas, then allocated to the Baton Rouge and Orleans metros, and rest of the state.

About The Authors

Greg Albrecht was the Chief Economist of the Louisiana Legislative Fiscal Office for nearly thirty years, retiring from that post at the start of 2022, and was with the Office for a total of thirty-six years. As Chief Economist he was responsible for state revenue forecasting for the Consensus Revenue Estimating Conference that determined much of state resources available for appropriation each year. Prior to and during a portion of that role, he was a budget analyst in the office responsible for various state agencies and programs. He is currently a research fellow with the LSU Center for Energy Research assisting in economic impact analysis of energy projects in the state. He received his B.S and M.S. in economics from LSU, taught full time at the school for two years before moving to the La Legislature. He has held a longstanding adjunct instructor position in the LSU Economic Department, Baton Rouge Campus.

Dr. Greg Upton is Associate Research Professor at the Louisiana State University Center for Energy Studies. As of January 2023, he has been the interim executive director of the Center. His

research interests are related to the analysis of economic, environmental and public policy issues in the energy industry. He is the developer of the Louisiana Economic Impact Model (LEIM) that is utilized in this analysis of the sound recording program.

During his tenure at LSU, Dr. Upton has addressed a number of topical energy issues of significance to Louisiana, including Louisiana mineral taxes, solar tax credits, and net metering policies, the impact of the oil price collapse on Louisiana's budgetary challenges, and implications of the crude oil export ban's lifting on the Louisiana economy, among others. He has taught courses the Department of Environmental Sciences and Department of Economics at LSU and is a program faculty member at Michigan State University's Institute of Public Utilities.

Dr. Upton holds a Ph.D. in Economics from Louisiana State University where he also received both an M.S. in economics and a B.S. in economics with a concentration in empirical analysis.

Technical Reference

Horowitz, Karen J. and Mark A. Planting, "Concepts and Methods of the Input-Output Accounts," Technical Report, Bureau of Economic Analysis. U.S. Department of Commerce 2009.

What Other States Offer As Sound Recording Incentives

Prepared by Albrecht & Associates, LLC
Submitted to Louisiana Entertainment, Louisiana Economic Development

The state of Louisiana offers the Sound Recording Investor Tax Credit to encourage sound recording activity and employment within the state. The purpose of this report is to provide Louisiana Economic Development information on what other states offer as incentives to sound recording.

Louisiana Program

The Sound Recording Incentive Program provides an 18% tax credit for sound recording projects made in the State of Louisiana. Sound recording investor tax credits are issued as rebates. Sound recording is defined as a recording of music (including film scores), poetry or spoken-word performance made in Louisiana and produced in Louisiana in whole or in part. A $25,000 minimum in expenditures is required, with a $10,000 minimum expenditure requirement for Louisiana residents. Eligible expenditures include studio rental fees, artist and musician salaries, producer fees, mixing and mastering of a recording made in whole or in part in the State, instrument and equipment rental, hotel, airfare, and catering expenditures, all directly related to a certified recording project.

Other States' Programs

According to the National Conference of State Legislatures (NCSL), Louisiana appears to be the only state with a stand-alone program specifically targeting sound recording. In reviewing their database of state incentive programs, it was pointed out that numerous states do include sound recording expenses as eligible within their film and entertainment incentive programs (as does Louisiana), or as musical and theatrical productions that tour outside the state.

NCSL provided a number of examples where sound recording was included in state film and entertainment incentives (such as musical and theatrical live touring performances) including California, Colorado, Georgia, New York, Pennsylvania, and Rhode Island[1]. Nuances in the eligible musical expenses were evident even in these cases. For example, Georgia offers what is titled the "Musical Tax Credit", but explicitly defines musical composition eligible for the program as not including "a series of songs compiled into an album".

Searches for sound and/or music recording incentives did not result in any comprehensive compilations of such incentives other than as included in film production incentive programs. Various state film incentive programs were examined to confirm that music and/or sound recording were generally eligible expenses, but only as a component of the film production receiving the programs' incentives.

During such searches, particular state programs of interest were examined. For example, Tennessee, the home of the music hub in Nashville, offers grants up to 25% on qualified

[1] The provisions of these programs were reviewed and confirmed as primarily film and entertainment incentives with associated sound recording activity eligible, and not specifically targeting stand-alone sound recording production as with the Louisiana program.

expenditures associated with original scores for film, television, animation, commercials, gaming and multi-media projects, but does not appear to target stand-alone sound recording of songs or albums as Louisiana does (where New Orleans is also a music hub).

Texas appears to make a small effort to target stand-alone sound recording by offering an exemption from state (6.25%) and local sales and use taxes on qualifying machinery and equipment purchased, repaired, leased or rented and used directly in the production of audio recording masters. The exemption can also be used by live music venues who make master recordings for sale or distribution.

Florida may also make a small effort to target stand-alone sound recording by offering a point-of-sale sales tax exemption (up to 7.5%) to qualified production companies producing content in Florida. The exemption applies to any qualified production company producing films, television series, commercials, music videos, or sound recordings in the state for certain production-related purchases in Florida. However, a short list of what expenditures qualify does not explicitly refer to music or sound recording.

As with other states, Alabama allows for expenditures for music and sound associated with film productions. However, it is not only state level programs that can offer sound recording incentives. Billboard.com reported in June of 2022 that the Shoals Economic Development Authority launched and also funds the Shoals Music Makers Recording Incentive, which will offer recipients up to a 30% reimbursement on projects recorded in the Shoals (home of the Muscle Shoals Sound Studio in Sheffield Alabama).

Music and Music Business Programs Offered In Louisiana's Higher Education Institutions

Prepared by Albrecht & Associates, LLC
Submitted to Louisiana Entertainment, Louisiana Economic Development

The development of in-state musical talent, including the proficiency in instruments and vocals, the teaching of those skills, and the development of performance and production support skills is of keen interest in the development of a music industry in the state. In support of that end, below are listings of such programs offered in both public and private higher education institutions[1] in the state.

Public Institutions

Listed below are music programs offered by public institutions. The listing is organized by three categories of programs: music support, music education, and general music instrument or vocal mastering.

Music Support Programs

Institution	Degree	Degree	Program	Total Completions - Last 3 Complete Academic Years	Average Annual Completions
Baton Rouge Community College	CTC	Career and Technical Certificate	Music Studio Production	7	2
Bossier Parish Community College	CTS	Certificate of Technical Studies	Music Production and Technology	1	0
				8	2

[1] Information for public institutions was provided by the Louisiana Board of Regents (BOR), and includes programs with at least one degree completion during the last three years. Information for private institutions was obtained from the U.S. Department of Education, National Center for Education Statistics (NCES), for the 2021-22 academic year. Information provided by the BOR for public institutions was confirmed by the NCES database.

Music Education Programs

Institution	Degree	Degree	Program	Total Completions - Last 3 Complete Academic Years	Average Annual Completions
Louisiana State University	BME	Bachelors of Music Education	Music Education, Grades K-12	47	16
Northwestern State University	BME	Bachelors of Music Education	Music Education, Instrumental Grades K-12	30	10
Northwestern State University	BME	Bachelors of Music Education	Music Education, Vocal Grades K-12	4	1
Northwestern State University	BME	Bachelors of Music Education	Music Education, Vocal/Instrument Grades K-12	0	0
University of Louisiana at Lafayette	BA	Bachelor of Arts	Art or Music Education, Grades K-12	28	9
University of Louisiana at Lafayette	PBC	Post-baccalaureate Certificate	Music Education, Instrumental Grades K-12	0	0
University of Louisiana at Lafayette	PBC	Post-baccalaureate Certificate	Music Education, Vocal Grades K-12	0	0
University of Louisiana at Monroe	MME	Master of Music Education	Music Education	5	2
				114	38

General Music Programs

Institution	Degree	Degree	Program	Total Completions - Last 3 Complete Academic Years	Average Annual Completions
Grambling State University	BA	Bachelor of Arts	Music	17	6
Louisiana State University	BA	Bachelor of Arts	Music	37	12
Louisiana State University	BMUS	Bachelor of Music	Music	53	18
Louisiana State University	DMA	Doctor of Musical Arts	Music	47	16
Louisiana State University	MM	Master of Music	Music	104	35
Louisiana State University	PHD	Doctor of Philosophy	Music	16	5
Louisiana Tech University	BA	Bachelor of Arts	Music	20	7
McNeese State University	BM	Bachelor of Music	Music	45	15
Nicholls State University	BA	Bachelor of Arts	Music	34	11
Northwestern State University	BM	Bachelor of Music	Music	57	19
Northwestern State University	MM	Master of Music	Music	17	6
Southeastern Louisiana University	BM	Bachelor of Music	Music	38	13
Southeastern Louisiana University	MMUS	Master of Music	Music	26	9
Southern University, Baton Rouge	BM	Bachelor of Music	Music	25	8
University of Louisiana at Lafayette	BA	Bachelor of Arts	Music	56	19
University of Louisiana at Lafayette	BM	Bachelor of Music	Music	35	12
University of Louisiana at Lafayette	MM	Master of Music	Music	23	8
University of Louisiana at Monroe	BA	Bachelor of Arts	Music	3	1
University of Louisiana at Monroe	BM	Bachelor of Music	Music	27	9
University of New Orleans	BA	Bachelor of Arts	Music	25	8
University of New Orleans	MM	Master of Music	Music	23	8
				728	245

During the last three academic years, public institutions conferred 850 music related degrees; an average of 285 per year. In the listings above, there are only two public institution programs that appear to explicitly focus on music performance support, conferring eight degrees over the last three years; an average of two degrees per year. Programs in four institutions conferred one-hundred and fourteen degrees in music education; an average of thirty-eight per year, and eleven institutions that conferred 728 degrees in general music performance mastering; an average of two hundred and forty-five per year.

Note that the three categories above were based on the reported program name and generally conform to the intuitive distinctions between mastering a musical instrument or vocal skill, mastering the skills to teach music classes to students, and the skills that support the performance and production of music content. However, a sampling of the descriptions of the various general music programs offered suggests that the distinctions can be more nuanced than might be traditionally considered. For example, a music program that prepares students for music performance can also include courses or concentrations in music technology, music publishing, marketing, and other music support and business skills. That said, current offerings appear to be heavily concentrated on music performance and education, necessary requirements for a locally driven music industry, but only lightly concentrated on music performance support; also a necessary requirement for a locally driven music industry.

Private Institutions

Listed below are music programs offered by private institutions. The listing is organized by institution but includes the music support, education, and general music instrument or vocal mastering programs offered by each institution.

COMPLETIONS (NUMBER OF AWARDS CONFERRED) 2021-2022
Completions are the number of awards conferred by program and award level.

INSTITUTION / PROGRAM	BACHELOR	MASTER	DOCTOR
Centenary College of Louisiana, Shreveport			
Music Teacher Education	-	1	-
Music, General	6	-	-
Dillard University, New Orleans			
Music, General	1	-	-
Music, Other	4	-	-
Louisiana Christian University, Pineville			
Music Teacher Education	5	-	-
Music Performance, General	5	-	-
Music, General	3	-	-
Loyola University New Orleans			
Music Teacher Education	2	-	-
Jazz/Jazz Studies	7	-	-
Music Management	39	-	-
Music Performance, General	1	2	-
Music Technology	1	-	-
Music Theory and Composition	1	-	-
Music, General	6	-	-
Musical Theatre	7	-	-
Voice and Opera	5	8	-
New Orleans Baptist Theological Seminary			
Religious/Sacred Music	3	2	3
Tulane University of Louisiana, New Orleans			
Music, General	6	2	-
Music, Other	2	-	-
Musicology and Ethnomusicology	-	-	-
Technical Theatre/Theatre Design and Technology	-	3	-
Xavier University of Louisiana, New Orleans			
Music Teacher Education	1	-	-
Jazz/Jazz Studies	-	-	-
Music Performance, General	1	-	-
Music, General	3	-	-
Visual and Performing Arts, General	-	-	-
Voice and Opera	-	-	-
	109	18	3

U.S. Department of Education
National Center for Education Statistics

* Institutions listed above are members of the Louisiana Association of Independent Colleges and Universities that reported music related degree programs to the U.S. Department of Education, National Center of Education Statistics. Member institutions reporting no music related degree programs are Franciscan Missionaries of Our Lady University (Baton Rouge), Saint Joseph Seminary College (St. Benedict), and University of Holy Cross (New Orleans).

During the 2021-2022 academic year, private institutions conferred 130 music related degrees. As with public institutions, the majority of music related degrees conferred by private institutions were in music performance and education; again, necessary components of a locally driven music

industry. However, a substantial number of degrees were conferred by Loyola University in the area of music management; thirty percent of the total private institution degrees, and also a necessary component of a locally driven music industry. The qualifier regarding the mix of knowledge gained in music programs noted with regard to public institution programs also applies to the programs offered by private institutions; a music program that prepares students for music performance can also include courses or concentrations in music technology, music publishing, marketing, and other music support and business skills.