2022 DIGITAL DISCOVERY REPORT

CONTRIBUTIONS OF THE CREATIVE COMMUNITY TO JOBS AND ECONOMIC GROWTH
## Table of Contents

I. Introduction ............................................................................................................. 03

II. Highlights ................................................................................................................ 04

III. Summary of Creative Community Economic Reports ........................................... 06
   a. Americans for the Arts ............................................................................................ 07
   b. Department for Professional Employees, AFL-CIO .............................................. 08
   c. International Intellectual Property Alliance ......................................................... 09
   d. Motion Picture Association ..................................................................................... 10
   e. Recording Industry Association of America ......................................................... 11
   f. International Federation of the Phonographic Industry ....................................... 12
   g. Global Innovation Policy Center ........................................................................... 13

IV. Annex ..................................................................................................................... 15
**Introduction**

Creativity is an engine for economic growth in the United States, and copyright protection is its fuel, particularly in the digital age. The economic and cultural contributions of America’s creators is unparalleled – leading by virtually every metric, whether through creating high-quality, well-paying jobs, increasing GDP, and driving U.S. exports and trade surplus.

The Digital Discovery Report is a collection of independent reports by creative community organizations on those significant contributions of creators to the U.S. economy as well as the devastating cost of piracy on American workers and employers, both large and small. The Digital Discovery Report demonstrates the immense importance of creativity and the power of creators to drive employment and wages and to promote economic growth, development and trade.

The Digital Creators Coalition (DCC) is composed of associations, companies and organizations that represent individual creators, independent producers, small- and-medium-size enterprises (SMEs), large businesses, and labor organizations all across the American creative community, including music, movies, television, authors, publishers, photographers, news media and sports.

Our members contribute significantly to U.S. GDP, employment and exports – collectively employing or representing millions of American creators and contributing billions of dollars to the U.S. economy. The DCC is the voice for creativity in the digital age and works to champion the U.S. creative community in the online environment. Our members are united in our resolve that strong copyright protection for American creators should be a top priority for U.S. engagement globally.

Note: The economic and other data contained in the Digital Discovery Report was prepared by a wide array of creative community organizations that have been cited throughout the following pages. The DCC was responsible for collecting that data into this single source in the hopes of facilitating access to the diverse and copious data herein. While many organizations whose data is included in the Digital Discovery Report are DCC members, inclusion in the Digital Discovery Report does not necessarily connote membership.
“Depending on a creative professional’s specific role in a production, residual or royalty payments may be paid directly to the professional as compensation, or as contributions towards the professional’s health and pension fund. These payments are a significant portion of creative professional’s total pay and benefits.”

DPE, Intellectual Property Theft: A Threat to Working People and The Economy (2021), page 3

**43%**

THE COMPENSATION PREMIUM PAID TO CORE COPYRIGHT WORKERS COMPARED TO THE AVERAGE U.S. ANNUAL WAGE

DPE, Copyright Theft in the U.S. Economy 2022 Report, page 4

The value added by the total copyright industries to GDP exceeded **$2.5 TRILLION** accounting for 11.99% of the U.S. economy.

IIPA, Copyright Industries in the U.S. Economy: 2020 Report, page 4

Nationally, the nonprofit arts industry generated **$166.3 BILLION** of economic activity in 2015–16 **$63.8 BILLION** in spending by arts and cultural organizations and an additional **$102.5 BILLION** in event-related expenditures by their audiences.”

Americans for the Arts, Arts & Economic Prosperity 5: The Economic Impact of Nonprofit Arts & Culture Organizations & Their Audiences (2017), page 6

“Digital theft has a direct negative impact on creative industries and the professionals who work in them, with a COST OF AT LEAST 290,000 JOBS & $29 BILLION IN LOST REVENUE in the film and television industry alone.”

DPE, Intellectual Property Theft: A Threat to Working People and The Economy (2021), page 3
Contributions of the Creative Community to Jobs and Economic Growth - Highlights

“In 2020, through legitimate sales and streams of creative works, [union creative professionals benefited from copyright:] SAG-AFTRA members received more than $1.01 BILLION, IATSE members earned $496 MILLION in their pensions and health plans, the DGA distributed over $430 MILLION in residuals to members, and writers, including members of the WGA, earned $529 MILLION.”

DPE, Intellectual Property Theft: A Threat to Working People and The Economy (2021), page 3

Depending on a creative professional’s specific role in a production, residual or royalty payments may be paid directly to the professional as compensation, or as contributions towards the professional’s health and pension fund. These payments are a significant portion of creative professionals’ total pay and benefits. In 2020, through legitimate sales and streams of creative works,

In 2020, the film and TV industry provided

$192 BILLION
IN TOTAL WAGES

In 2020, the film and TV industry generated

$31 BILLION
in public revenues.

MPA, The American Motion Picture and Television Industry Creating Jobs, Trading Around the World (January 2022)
SUMMARIES OF CREATIVE COMMUNITY ECONOMIC REPORTS
“Nationally, the nonprofit arts industry generated $166.3 BILLION of economic activity in 2015—“$63.8 BILLION IN SPENDING BY ARTS AND CULTURAL ORGANIZATIONS” and an additional $102.5 BILLION in “event-related expenditures by their audiences.” (pg.2)

This activity supported **4.6 MILLION JOBS** and generated **$27.5 BILLION IN REVENUE** to local, state, and federal governments (a yield well beyond their collective $5 billion in arts allocations). (pg.2)

The study found that “the typical attendee spends $31.47 PER PERSON, per event beyond the cost of admission on items such as meals, parking and lodging – vital income for local businesses.” AEP5 also shows that one-third of attendees (34 percent) were not from the county in which the arts event took place. (pg.6)

“Nationally, total event-related spending was an estimated **$102.5 BILLION IN 2015**. This spending supported **2.3 MILLION JOBS**, provided **$46.6 BILLION in household income**, and generated **$15.7 BILLION in total government revenue.**” (pg.6)

Arts & Economic Prosperity 6 (AEP6), is currently in data collection and new numbers will be released in September 2023.
Copyright protections secure the current and future pay and benefits for over FIVE MILLION creative professionals working in motion picture and television production, live and recorded music, and theater and other performing arts.” (pg.1)

“2.5 MILLION PEOPLE WORK IN MOTION PICTURE AND TELEVISION PRODUCTION.” (pg.2)

“1.9 MILLION PEOPLE WORK IN LIVE AND RECORDED MUSIC.” (pg.2)

“126,000 PEOPLE WORK IN LIVE THEATER AND OTHER PERFORMING ARTS.” (pg.2)

Globally, the digital theft of music, television, film, software and other published works rose dramatically over the course of the COVID-19 pandemic.

As quarantines and lockdowns spread across the globe in March 2020, digital theft surged by over 33 PERCENT Worldwide (pg 4)

Worldwide, there were 130.5 BILLIONVisits to websites that facilitate the theft of creative content in 2020, or about 39 VISITS PER PERSON with access to an internet connection. The United States topped the list of countries with the most visits to these websites, followed by Russia, China, India, and Brazil.” (pg 4)

Depending on a creative professional’s specific role in a production, residual or royalty payments may be paid directly to the professional as compensation, or as contributions towards the professional’s health and pension fund. These payments are a significant portion of creative professionals’ total pay and benefits. In 2020, through legitimate sales and streams of creative works,

SAG-AFTRA members received more than $1.01 BILLION (at an average amount of $220 per residual check)

IATSE members earned $496 MILLION for their pension and health plans

The DGA distributed over $430 MILLION in residuals to members

Writers, including members of the WGAE, earned $529 MILLION

“Digital theft has a direct negative impact on creative industries and the professionals who work in them, with a COST OF AT LEAST 290,000 JOBS & $29 BILLION IN LOST REVENUE in the film and television industry alone.” (pg.1)

“Strong copyright protections developed with today’s digital age in mind are needed to help ensure fair compensation for the professionals who imagine, develop, design, and give life to creative works that are responsible for supporting more than a TRILLION DOLLARS in economic activity and MILLIONS OF JOBS.” (pg.5)"
“In 2019, the value added by the core copyright industries to U.S. GDP reached more than $1.5 TRILLION DOLLARS ($1,587.16 BILLION), accounting for 7.41% OF THE U.S. ECONOMY.” (pg. 4)
The film and TV industry directly and indirectly supports **2.2 MILLION JOBS**

In 2020, the film and TV industry provided **$192 BILLION IN TOTAL WAGES**

In 2020, the film and TV industry generated **$31 BILLION** in public revenues.

The film and TV industry provides a **74% HIGHER SALARY THAN THE NATIONAL AVERAGE FOR DIRECT JOBS IN 2020. (pg.1)**

The industry is comprised of over **110,000 BUSINESSES IN TOTAL**, located in every state in the country.

These are mainly small businesses; **89% EMPLOY FEWER THAN 10 PEOPLE.** (pg.1)

Direct industry jobs employ more people than other major sectors, including:

- MINING
- OIL & NATURAL GAS EXTRACTION
- CROP PRODUCTION
- UTILITY SYSTEM CONSTRUCTION
- RENTAL & LEASING SERVICES (pg.2)
Across all fields and occupations, the 2018 music industry supported, directly or indirectly, **2.47 MILLION AMERICAN JOBS**.

Employee earnings surpassed **$88 BILLION**

The value added by the music industry to the U.S. economy reached **$170 BILLION** in 2018

“In 2018, “the total to direct value-added ratio was 1.5 (i.e., for every dollar of direct revenue within the U.S. music industry, an additional 50 cents is created in an adjacent industry in the U.S. economy).”

RIAA, The U.S. Music Industries: Jobs & Benefits (December 2020), page 21

“In just the few years between 2015 and 2018, industry-connected employment rose by more than **350,000 JOBS**”

RIAA, The U.S. Music Industries: Jobs & Benefits (December 2020), page 6
“Commercial and legal certainty is needed to ensure everyone understands how music can be used legally and to enable them to do so. This means guaranteeing rightsholders an adequate level of protection through exclusive rights. Where they exist, exceptions to copyright should be limited, clearly defined, and narrowly targeted to deliver a legitimate public policy outcome. Open-ended or ‘flexible’ exceptions are open to abuse and do not provide the necessary certainty.” (p.49)
The use of **injunctive-style relief** has resulted in a real decrease in piracy. For example, in Sweden, survey results show that the number of respondents accessing copyright-infringing content fell from 21% to 14% following the use of these new enforcement tools. (pg. 12)

**CASE STUDY: ENFORCEMENT THROUGH INJUNCTIVE-STYLE-RELIEF**

How rightsholders are successfully using a new tool in the fight against online copyright policy.

- “Beginning in the early 2010s, rightsholders have identified and successfully applied a new tool...injunctive-style relief.” (pg. 46)

- Some of these countries have introduced “dynamic” injunctions, which address the issue of mirror sites and disables infringing content re-entering public domain by simply being moved to a different access point (pg. 46)

Chart data shows increase in economic scores for these countries.

“Regardless of income level, most economies in the Index have **struggled** to safeguard copyrighted and branded content online. While the majority of economies scored **less than 50%** on this category, there were continued **positive developments** to combat online infringement in 2021.” (pg. 16)
“Research indicates that more than **80% OF PIRACY IS ATTRIBUTABLE TO STREAMING**. Illegal streaming is enabled by piracy devices and apps, which have overtaken BitTorrent and other download-based technologies that deliver unauthorized live television shows and video on demand over the internet.” (foreword)

“Digital video piracy not only causes lost revenues to the U.S. content production sector, it also results in **LOSSES** to the U.S. economy of between **230,000 AND 560,000 JOBS** and between **$47.5 BILLION AND $115.3 BILLION** in reduced gross domestic product (GDP) each year. While piracy remains a problem in the U.S., our analysis indicates that most of these **LOSSES** are due to digital video piracy of U.S. content by non-U.S. residents.” (Executive Summary, pg. ii)

“Overall, approximately **26.6 BILLION VIEWINGS** of U.S.-produced movies and **126.7 BILLION VIEWINGS** of U.S.-produced TV episodes are **PIRATED DIGITALLY** each year, mostly from outside the U.S. (Executive Summary, pg. ii)

**DIGITAL VIDEO PIRACY** conservatively causes **LOST DOMESTIC REVENUES** of at least **$29.2 BILLION** and as much as **$71.0 BILLION YEARLY** representing a revenue reduction between 11% and 24%. (Executive Summary, pg. ii)

“There are more than **500 LICENSED ONLINE VIDEO PORTALS WORLDWIDE** and as of 2018, more video streaming subscribers than pay-TV subscribers. This growth is threatened by the increase in streaming-enabled piracy, which has overtaken BitTorrent and other download-based technologies as the primary vehicle for digital video piracy.” (Executive Summary, pg. ii)
Annex

- Alliance for Creativity and Entertainment (ACE)
  - 2020 Movie & Piracy Trends Worldwide

- American Association of Publishers (AAP)
  - AAP StatShot Annual Report (July 2020)

- American Consumer Institute Center for Citizen Research (ACI)

- American Federation of Musicians (AFM)

- Americans for the Arts
  - Percentage of Foreign Visitors Participating in Arts & Culture While Visiting the U.S. 2006-2016 (2018)
  - Arts & Economic Prosperity 5: The Economic Impact of Nonprofit Arts & Culture Organizations & Their Audiences (2017)
  - The Creative Industries in the United States (2017)

- American Society of Composers, Authors and Publishers (ASCAP)
  - 2020 ASCAP Annual Report

- The Association of Magazine Media (MPA)
  - Factbook 2020

- The Authors Guild
  - Authors Guild Affirms Support for Copyright Infringement Lawsuit Against Internet Archive Brought by Four Leading Book Publishers (2020)

- Broadcast Music, Inc. (BMI)
  - 2019-2020 Annual Review

- Bureau of Economic Analysis
  - Arts and Cultural Production Satellite Account, U.S. and States (2021)

- The Conference Board

- Copyright Alliance
  - Copyright Facts by State (2021)

- Creative Future
  - The Facts Illustrated (2021)

- DataProt

- Digital Citizens Alliance

- Digital Creators Coalition (DCC)
  - The Power of American Creativity - Infographic (2021)

- Directors Guild of America

- Department for Professional Employees (DPE / AFL-CIO)

- Hudson Institute

- Institute for Policy Innovation (IPI)

- Institute for Policy Innovation (IPI)
  - The True Cost of Sound Recording Piracy to the U.S. Economy (August 2007)

- International Alliance of Theatrical Stage Employees (IATSE)
  - 2020 IATSE Federal Issue Agenda (2020)

- International Alliance of Theatrical Stage Employees (IATSE)
  - 2020 IATSE Federal Issue Agenda (2020)

- International Federation of the Phonographic Industry (IFPI)
  - Investing in Music (2016)
  - Music Listening (2019)

- International Intellectual Property Alliance (IIPA)
  - Copyright Industries in the U.S. Economy: 2020 Report
  - 2020 Report: Infographic
  - Special 301 Report on Copyright Protection and Enforcement (2021)

- Motion Picture Association (MPA)
  - Theme Report 2020
  - The American Motion Picture and Television Industry Creating Jobs, Trading Around the World (January 2022)

- MUSO
  - Piracy in 2020: Infographic
  - Global Piracy Increases Throughout 2017, MUSO reveals

- National Assembly of State Arts Agencies (NAASA)
  - Creative Economy State Profiles (2020)
  - Facts & Figures on the Creative Economy (Spring 2020)
  - The U.S. Arts Economy in 2019: A National Summary Report (March 2021)
  - U.S. Patterns of Arts Participation (December 2019)

- National Endowment of the Arts (NEA)
  - Artists and Other Cultural Workers: A Statistical Portrait (April 2019)

- Otis College of Art and Design
  - The Creative Economy 2020: Otis Report on the Creative Economy

- Recording Industry Association of America (RIAA)
  - Year-End 2020 RIAA Revenue Statistics
  - The U.S. Music Industries: Jobs & Benefits (December 2020)
  - 50 States of Music

- Songwriters Guild

- Writers Guild of America West (WGAW)
  - Annual Financial Report (July 2021)