

Economic Impacts of *Once Upon a Time*

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INTRODUCTION

The television series *Once Upon a Time* premiered on October 23, 2011 on ABC and is currently in its fifth season. It tells the story of a world in which fairy-tale legends and modern life come together. The series takes place in the fictional seaside town of Storybrooke, Maine, whose residents are characters from various fairy tales that have been transported to the modern world. The table below summarizes the premiere dates and number of episodes by season.

<i>Once Upon a Time</i> Production Pattern					
	Season 1	Season 2	Season 3	Season 4	Season 5
Premiere Date	October 23, 2011	September 30, 2012	September 29, 2013	September 28, 2014	September 27, 2015
Number of Episodes	22	22	22	23	22

Filming of the series occurred in various municipalities throughout the province of British Columbia (BC), with the main filming location in Steveston, BC, and the main studio for the series in Burnaby, BC. Throughout the production of the series, significant economic impacts were created for BC residents and businesses, while substantial tax revenues accrued to federal, provincial and local governments.

STUDY PURPOSE

MNP LLP (MNP) was engaged by the Motion Picture Association – Canada to conduct an independent economic impact assessment of the production of the series *Once Upon a Time* on the BC economy. For the study MNP used data from Season 3 of the series to estimate the economic impacts that occurred during that season of production. As the series has now completed five seasons of production and each season had roughly the same number of episodes, the impacts over the entire life of the production to date could be expected to be roughly five times the Season 3 impacts.

SEASON 3 PRODUCTION SPENDING

Season 3 production spending engaged approximately 880 vendors from 63 communities across BC (Table 1). Twenty of these communities are located within Metro Vancouver, while the remaining 43 included communities from Vancouver Island, Thompson/Okanagan, Kootenay, and Mainland/Southwest regions. The television series engaged a wide variety of vendors, including film and television production facilities, catering companies, hotels, vehicle and equipment rental agencies, boat and marine companies, building and garden suppliers, cleaners, landscapers, retailers, storage companies, audio and video companies, infrastructure companies (waste management, electrical), professional services firms (including insurance and accounting), towing companies, and automobile shops.¹

Table 1: Season 3 Vendor Expenditure Data

	Number
BC Businesses	700
<i>Businesses located within Metro Vancouver</i>	673
<i>Businesses located outside Metro Vancouver</i>	27
BC Individuals	184
Total	884

As indicated in Table 2, the Season 3 production of *Once Upon a Time* resulted in total spending in BC of over \$55 million. Of total BC expenditures, the majority (62 percent) were payments made to production crew and other labour, while the remaining 38 percent was spent on purchases of BC goods and services.

Table 2: Season 3 Production Expenditures in BC

	Expenditures (millions)	Share of Expenditures
BC Production Crew and Qualifying Labour ²	\$34.0	61.7%
BC Purchases (Spending on Goods and Services)	\$21.2	38.3%
Total BC Spending	\$55.2	100.0%

Interviews conducted by MNP with representatives from Tourism Richmond suggest that, in addition to production spending in BC, the show has had a positive impact on tourism within the Richmond community of Steveston. Appendix A describes some of the impacts that the filming of *Once Upon a Time* has had on tourism within Steveston.

¹ Vendor list provided by ABC.

² Please note that the analysis excludes production spending on non-resident labour.

ECONOMIC IMPACTS OF PRODUCTION SPENDING

Using Statistics Canada’s input-output multipliers for BC, and the production expenditure schedule provided by ABC, MNP estimated the total economic impacts in BC (i.e. direct, indirect and induced) arising from the \$55.2 million in production spending for Season 3. The results of this analysis are presented in Table 3.

Table 3: Estimated Economic Impacts of Season 3 Production Spending in BC

	Production Impacts
Direct Production Expenditure in BC (in millions)	\$55.2
Output (in millions)	\$89.5
GDP (in millions)	\$67.8
Employment (in FTEs)	1,117

According to ABC, Season 3 of *Once Upon a Time* attracted approximately \$3.1 million in federal tax incentives and \$10.6 million in provincial tax incentives. The incentives provided by the Government of BC are estimated to have resulted in the following impacts:

- \$8.44 in economic output for every dollar of BC tax incentive received by the production.
- \$6.40 in provincial GDP for every dollar of BC tax incentive received by the production.
- 105 full-time equivalent positions for every \$1 million of BC tax incentive received by the production.

Assuming that the level and pattern of production spending in other seasons was similar to that in Season 3, the estimated economic impacts generated over all five seasons of production could be expected to total roughly five times that from Season 3. These impacts are presented in Table 4.

Table 4: Estimated Economic Impacts of Seasons 1 - 5 Production Spending in BC

	Production Impacts
Direct Production Expenditure in BC (in millions)	\$276.0
Output (in millions)	\$447.5
GDP (in millions)	\$339.0
Employment (in FTEs)	5,585

COMPARISONS WITH OTHER INDUSTRIES

To provide perspective on the size of the economic impacts of the production of *Once Upon a Time* it is useful to compare the impacts with those created by other industries. Three examples of other industries are new home construction, agriculture, and tourism.

- **New Home Construction** – The estimated employment of 1,117 FTEs supported by the Season 3 production of *Once Upon a Time* is equivalent to the direct and indirect employment supported by the construction of 461 new home starts in BC³. The employment supported over all five seasons of production is equivalent to that supported by the construction of 2,305 new homes.
- **Agriculture** – The estimated employment of 5,585 FTEs supported over all five seasons of production is greater than the employment supported by the BC Beef Cattle Industry⁴ (4,242 FTEs annually) and the BC Farmed-Raised Salmon industry⁵ (4,977 FTEs annually).
- **Tourism/Major Events** – The estimated economic output generated by one season of production (\$89.5 million) is more than one and a half times greater than the economic output projected from the hosting of the 2015 FIFA Women's World Cup in BC (\$52.0 million)⁶. The economic output generated over all five seasons of production is roughly equivalent to the hosting of the FIFA Women's World Cup eight times.

ADDITIONAL IMPACTS

Television series such as *Once Upon a Time* produce additional economic impacts, as well as broader social and community benefits. In addition to economic impacts that arise through production spending, impacts can result from infrastructure spending, film induced tourism, and personal spending by non-residents:

- **Infrastructure Impacts.** Infrastructure spending includes expenditures associated with production facilities and equipment. While the economic impacts of infrastructure spending have not been assessed in this report, it is important to note that the economic impacts that arise from infrastructure spending can be significant.
- **Film Induced Tourism Impacts.** Film induced tourism (FIT) is the phenomenon of films and television programs encouraging viewers to visit the country or region where filming occurred.⁷ FIT and its related tourism concepts, which include the effects of TV, films, movies and media culture, has increasingly been viewed as an important component of tourism marketing. Television series are especially likely to reach much larger audiences than specifically targeted tourism promotion.⁸ Appendix A describes *Once Upon a Time's* tourism related impacts on the Richmond community of Steveston.
- **Personal Spending by Non-resident Labour while in BC.** This may include spending by non-residents on vacations or other personal purchases while on location in BC.

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

³ Will Dunning Inc., *Economic and Fiscal Impacts of Residential Construction – 2014*.

⁴ MNP, *British Columbia's Beef Cattle Industry*, 2013.

⁵ MNP, *Economic Impact Study of the Farm-Raised Salmon Industry in BC*, 2015.

⁶ Retrieved from <https://news.gov.bc.ca/stories/fifa-womens-world-cup-will-add-52-million-to-bc-economy>

⁷ Oxford Economics, *The Economic Impact of the UK Film Industry*, 2007.

⁸ Croy, Glen W, *The Lord of the Rings, New Zealand, and Tourism: Image Building with Film*, 2004.

APPENDIX A – FILM INDUCED TOURISM IN STEVESTON, BC

BACKGROUND

MNP interviewed representatives from Tourism Richmond, the destination marketing organization whose purpose is to promote Richmond, BC to travellers and visitors. The interviews focused on the impacts of filming the TV series *Once Upon a Time* in the Richmond community of Steveston. The series uses Steveston as a filming location to depict the fictional seaside town of Storybrooke, Maine, with a number of the community's landmarks featuring prominently in the show.

FILM INDUCED TOURISM INITIATIVES

Prior to the commencement of *Once Upon a Time* production activity, the Steveston area of Richmond was searching for ways to stimulate its tourism sector. While known to be a historic coastal fishing community, Steveston was finding it difficult to distinguish itself from other communities that had similar attributes.

The concept of leveraging the *Once Upon a Time* television series as a way of attracting visitors to the region originated after Tourism Richmond's CEO, Tracy Lakeman, attended a Destination Marketing Association International meeting that highlighted success stories of film induced tourism in other cities, such as Albuquerque, New Mexico (*Breaking Bad*) and Clearwater, Florida (*A Dolphin's Tale*). That meeting, as well as the show's growing popularity, gave Tracy the idea to use the connection with *Once Upon a Time* as a method for attracting more visitors to the region.

To date, Tourism Richmond has carried out a variety of successful marketing initiatives that focus on utilizing the concept of Steveston as the real life "Storybrooke". These initiatives have included:

- **A dedicated web page** on Tourism Richmond's official website.⁹
- **A three-week social media contest** that included a trip to Steveston. The grand prize included a three-night stay in a local hotel, *Once Upon a Time* merchandise, four restaurant gift cards and a \$250 VISA pre-paid card. The contest drew about 15,000 entries from contestants in countries across the globe, including Italy, France, Portugal, the Philippines, China and New Zealand.¹⁰
- **Walking tour maps** that help visitors navigate thorough streets and show the storefronts from *Once Upon a Time* alongside their real-life versions.
- **Travel and accommodation promotions** with local hotels that offer special rates and *Once Upon a Time* fan packages. Tourism Richmond recently collaborated with seven local hotels which offered special rates and a special fan package to those booking a two or more consecutive night stay at any one of these participating hotels.
- **Sales of official *Once Upon a Time* branded products**, including t-shirts, hats, bags, mugs, buttons and fridge magnets. Tourism Richmond's Visitor Centre obtained licensing rights from ABC to sell "ONCE" merchandise in 2013 and has since expanded its merchandise offerings. According to Tourism Richmond, retail sales have more than doubled from last year, with visitors each typically spending between \$30 and \$40 on such merchandise. Projected merchandise sales for this year are approximately \$50,000.

OUTCOMES

Overall, Tourism Richmond estimates that, between 2013 and 2014, visits to Stevenson increased 147 percent. According to Tourism Richmond's Visitor Services Manager, the percentage of visiting parties that have stated *Once Upon a Time* as the main reason for their visit, increased from 16 percent in 2014 to 42 percent in 2015. Her impression is that the improvement is due to multiple factors, including the show's growing popularity, as well as Steveston's increased exposure in the most recent season. She also

⁹ Retrieved from <http://www.tourismrichmond.com/things-to-do/once/>

¹⁰ Retrieved from <http://www.richmondreview.com/news/once-upon-a-time-makes-for-repeats-when-it-comes-to-tourism-1.1913410>

suggested that ABC's one-hour special episode, "Secrets of Storybrooke", which aired on March 1, 2015 may have stimulated tourism to the region, as a portion of the episode showcased Steveston, and explained why the heritage fishing village was chosen for filming.

According to Tourism Richmond, the production of *Once Upon a Time* has benefitted local businesses. For example, Romania Country Bread, which becomes 'Storybrooke Country Bread' in the show, is able to leave the exterior signage for the fictional bakery up year round. The Candy Dish, a candy store located on Moncton Street, has also leveraged on the show's growing success. The store is well known for its homemade fudge, and has introduced a Snow White flavour fudge and crystallized candy wands. Sara's Old Fashioned Ice Cream and the Cannery Café are also among a number of other businesses that have benefitted from the filming of the series by offering *Once Upon a Time* related products.¹¹

The filming of *Once Upon a Time* and the initiatives of Tourism Richmond have had a positive impact on the community of Steveston. The combination of the show's growing popularity, and the community's willingness to embrace the production, has helped to spur tourism and related economic activity.

¹¹ Retrieved from <http://www.365daysofdining.com/2013/04/23/on-steveston-and-storybrooke/>

APPENDIX B – ECONOMIC IMPACT METHODOLOGY

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

MNP estimated the economic impact of the production of *Once Upon a Time* using the 2010 Statistics Canada provincial input-output model for BC (the latest model available). The Statistics Canada model is the most widely used system for measuring economic impacts in Canada, and provides a measure of the interdependence between an industry and the rest of the economy. The provincial economic multipliers show the direct, indirect and induced effects on economic metrics, and can be used to measure the quantitative impact of a change in the production or expenditure of a particular industry.

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

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

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

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

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