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A scene from the movie 'What We Do in the Shadows' showing two characters in a dimly lit, gothic-style interior. One character is a woman with long dark hair, and the other is a man with a long beard and dark hair, wearing a patterned vest. They are standing in a room with stone walls, a glowing green window, and various props like lanterns and suitcases.

ECONOMIC IMPACTS OF “WHAT WE DO IN THE SHADOWS” SEASON FOUR IN ONTARIO

A REPORT FOR THE MOTION PICTURE ASSOCIATION - CANADA

DECEMBER 2023



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EXECUTIVE SUMMARY

"What We Do in the Shadows" is a TV series that follows the adventures of four vampires as they navigate the challenges of modern life in Staten Island, New York. The show is a mockumentary based on the film with the same name written by Jemaine Clement and Taika Waititi. The TV series was filmed in Ontario, Canada, and generated considerable economic activity across the province. The show's production also supported activity in a wide range of industries through its procurement, and as those employed by the production and those employed by its supply chain spent money in the wider economy.

This study, commissioned by the Motion Picture Association (MPA) - Canada, focuses on the fourth season of the show, and analyses the production's total economic impacts in Ontario, Canada in 2021, when the fourth season was filmed. The study also considers the wider impact on boosting Ontario's economy. Assuming that previous and upcoming seasons have similar production budgets and spending patterns to that of Season Four, the economic impacts for each season are expected to be in line with those presented in this study.

In 2021, **production of Season Four of "What We Do in the Shadows" resulted in total spending in Ontario of approximately C\$33.8 million.** Spending on wages and salaries for local production crew and other labor was the main expenditure item, making up 52% of the total expenditure at over C\$17.4 million. The remaining 48% of spending measured at C\$16.4 million and was spent with over 500 local suppliers of goods and services.

Oxford Economics calculates that expenditure by **the production of Season Four of "What We Do in the Shadows" stimulated almost C\$47 million in contribution to Ontario's GDP in 2021.** We find that for every C\$1 million that the production's own activities contributed to the economy, its expenditure supported a further C\$1.7 million along its supply chain and through the payment of wages.

We find that the expenditure undertaken by **the show's production stimulated a total of 420 full time equivalent (FTE) jobs across Ontario in 2021.** For every 100 people the production directly employed, its expenditure stimulated another 100 jobs across the province.

C\$47m

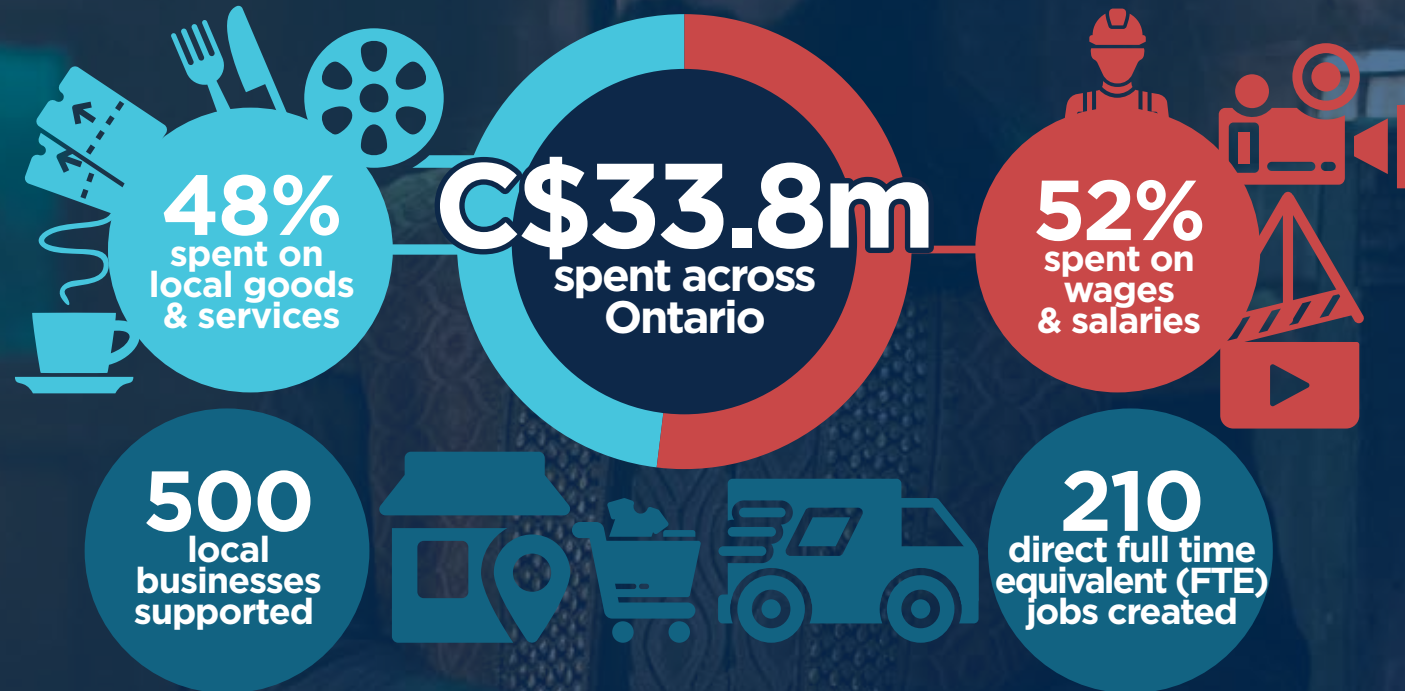
Total contribution to Ontario's GDP supported by Season Four of "What We Do in the Shadows"

420 FTE

Jobs supported across Ontario as a result of Season Four of "What We Do in the Shadows"

ECONOMIC IMPACTS OF “WHAT WE DO IN THE SHADOWS” SEASON FOUR IN ONTARIO

PRODUCTION EXPENDITURE



TOTAL IMPACT



1. INTRODUCTION

“What We Do in the Shadows” is a mockumentary TV series that follows four vampires living in Staten Island, New York. The series chronicles the daily lives of these vampires navigating a modern world as supernatural beings. The series premiered with its first season in March 2019, and was followed by the second and third seasons premiering in 2020 and 2021 respectively. The most recent season (Season Four) premiered in July 2022, with the fifth and sixth seasons renewed even before fourth season premiere, reflecting the success of the show.

The broader impacts of the TV series are expected to persist as the series produces additional seasons. Assuming that previous and upcoming seasons have similar production budgets and spending patterns to that of Season Four, the economic impacts for each season are expected to be in line with those presented in this study.

Oxford Economics was engaged by the Motion Picture Association - Canada to conduct an independent economic impact assessment of the production of the the most recent season of the show, Season Four, on Ontario's economy. For the study, Oxford Economics used data from FX/Disney to estimate the economic impacts arising from the production of this season.

2. PRODUCTION SPENDING

When a TV show shoots on location, it brings with it jobs, revenue, and related infrastructure development. Physical productions provide an immediate boost to the local economy, fostering job creation and innovation in other industries across the production supply chain. In 2021, production of Season Four of "What We Do in the Shadows" resulted in **total spending in Ontario of approximately C\$33.8 million.**

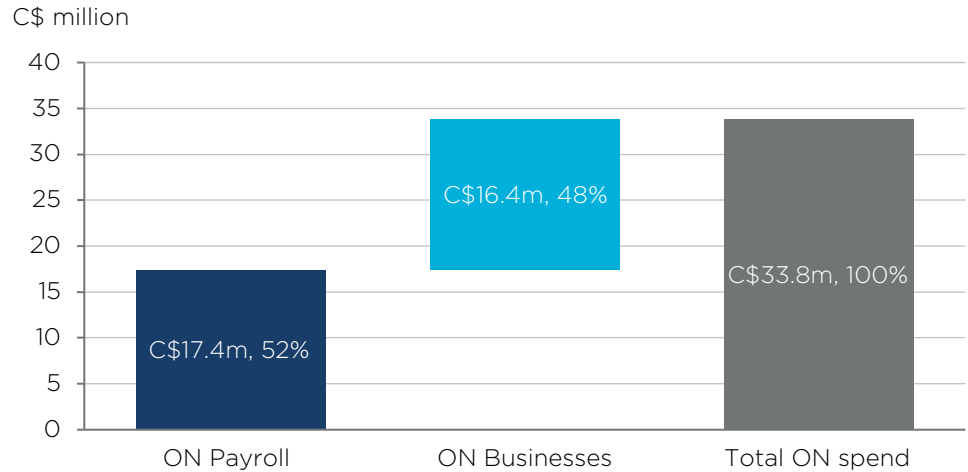
Spending on wages and salaries for local production crew and other labour was the main expenditure item, making up 52% of the total expenditure at over C\$17.4 million (see Fig. 1). The remaining 48% of spending measured at C\$16.4 million and was spent with over 500 local suppliers of goods and services.

C\$33.8m

Direct production expenditure in Ontario

Spending on production crew and qualifying labour was C\$17.4 million, while local spending on goods and services was C\$16.4 million

Fig. 1: Production spend of Season Four of "What We Do in the Shadows" in Ontario, by type



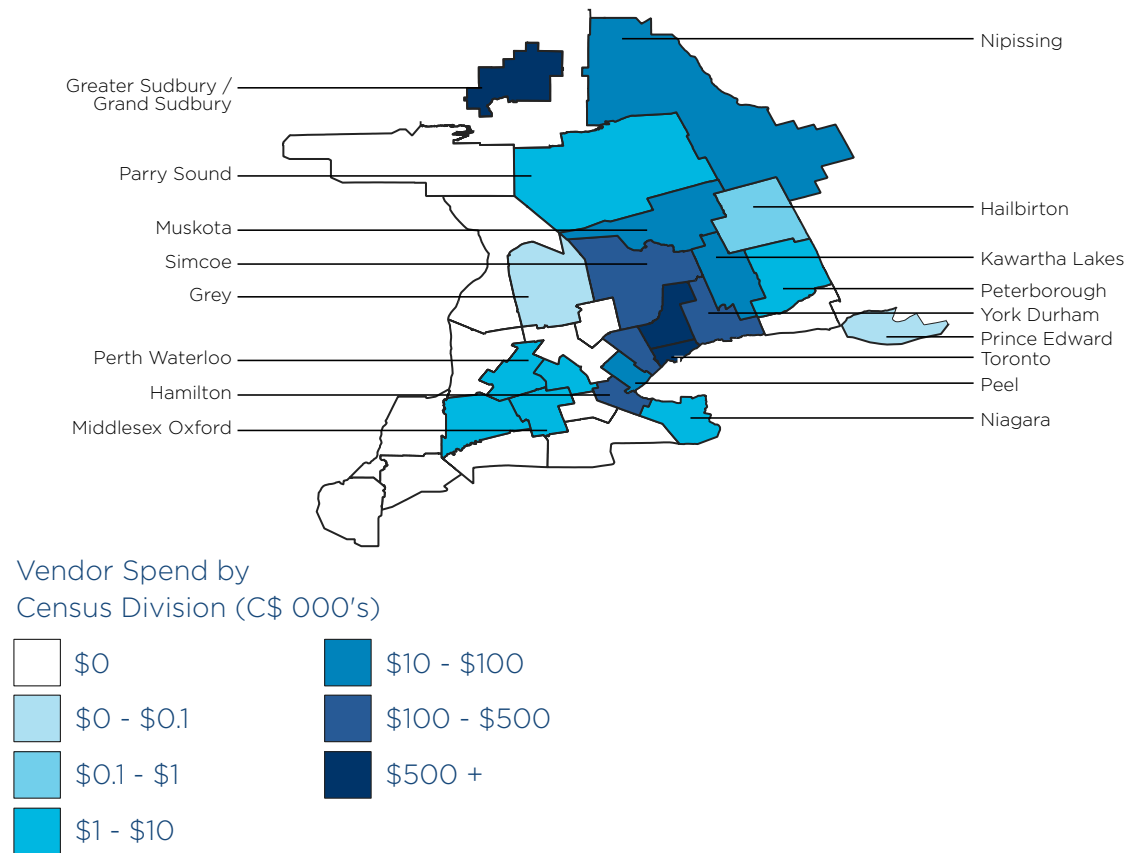
Source: FX/Disney, Oxford Economics

2.1 BUSINESS SPENDING

Season Four production spending engaged over 500 businesses all over Ontario. The cities that received the largest amounts in business spending were in Toronto, followed by Sudbury and Vaughan, with a combined spending of over

80% of all business spending. The broader census divisions reflect spending patterns across Ontario in Fig 2 below.

Fig. 2: Map of spending with locally based businesses by census division



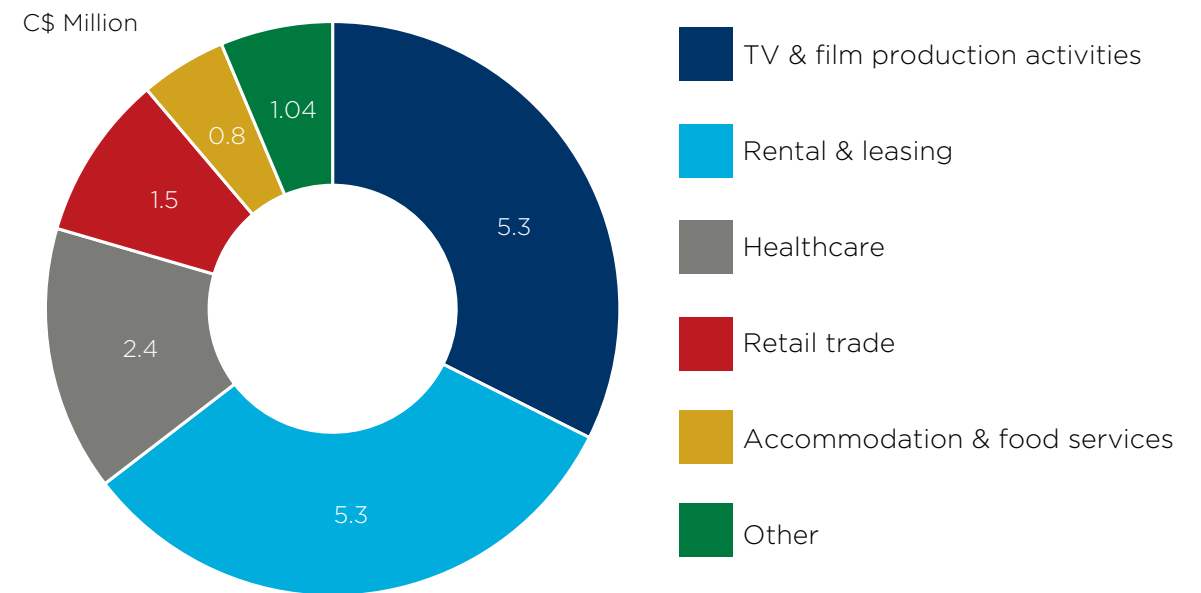
Source: FX/Disney, Oxford Economics

The production of TV shows typically relies on a wide range of goods and services, engaging multiple local businesses across numerous industries (see Fig. 3). The largest category of spending (at close to 65%) was with businesses providing TV and film production related services and businesses within the rental and leasing industries. Approximately C\$5.3 million in spending went towards local vendors engaged in production related activities such as visual effects. Another C\$5.3

million went towards rental activities, including studio and production equipment rentals.

Approximately 15% (or C\$2.4 million) of production related spending was towards healthcare services, specifically towards Covid-19 related services such as those provided by testing centers. Other production supporting activities include the procurement of props, set equipment, and costumes, as well as accommodation and food services for cast and crew members.

Fig. 3: Spend on goods and services with local suppliers by industry

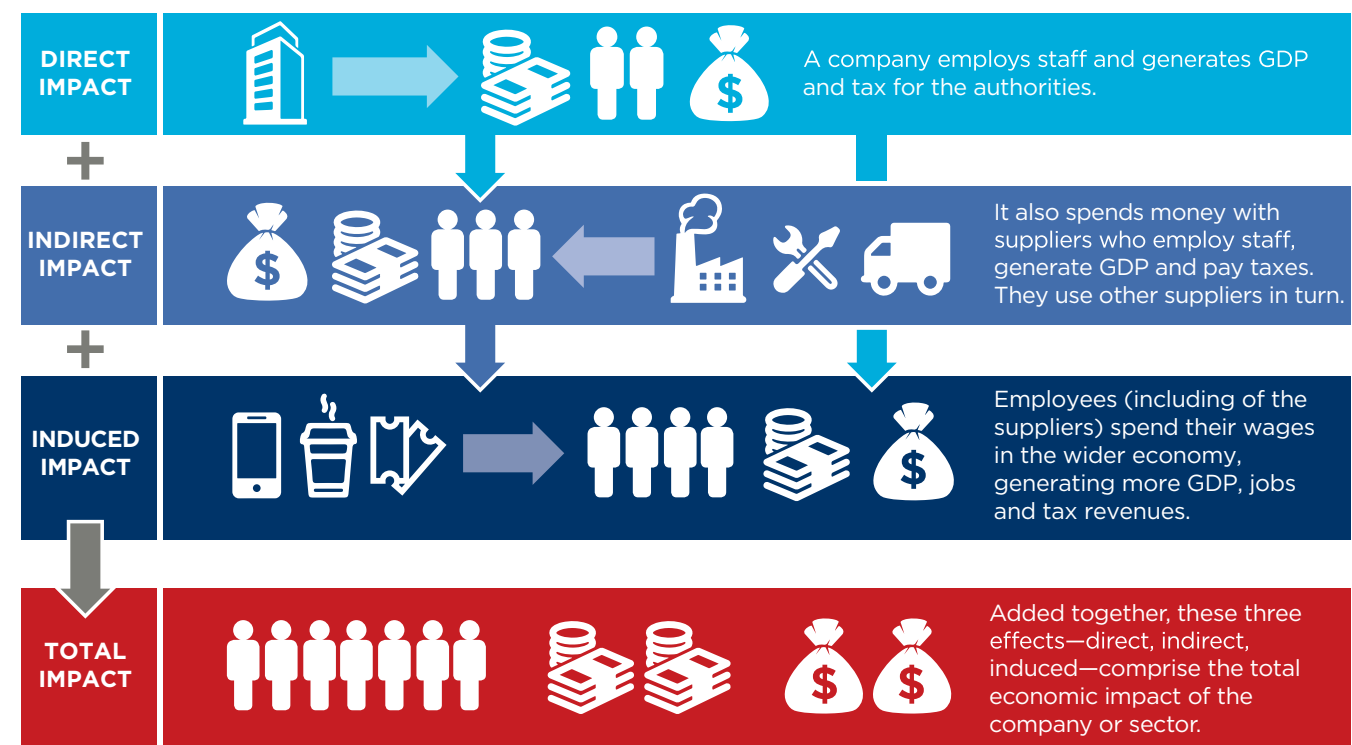


Source: FX/Disney, Oxford Economics

3. ECONOMIC IMPACTS

3.1 CHANNELS OF IMPACT

The impact of the filming of Season Four of "What We Do in the Shadows" on Ontario's economy is calculated using an economic impact assessment. This involves quantifying the production's economic contribution on a national level across three channels of expenditure, where the total impact is the sum of the three channels.



Source: Oxford Economics

C\$47m

Total contribution to Ontario's GDP supported by Season Four of "What We Do in the Shadows"

3.2 TOTAL IMPACT

Combining all channels of impact, we find that Season Four of "What We Do in the Shadows" supported nearly C\$47 million contribution to Ontario's GDP in 2021. Approximately C\$17.4 million, or 37%, of this was generated by the production itself (direct). The local spending on goods and services supported another C\$12.6 million along the supply chain (indirect), which represented 27% of the total.¹ The payment of wages by the production studios and local vendors in the

show's supply chain (induced) stimulated approximately C\$16.9 million contribution to GDP, or 36% (Fig. 4).

For Season Four of "What We Do in the Shadows", for every C\$1 million in direct GDP generated by the production's own activities, its expenditure supported a further C\$1.7 million in Ontario.²

The production of the show also had a significant impact on employment in the country. In 2021, Season Four of "What We Do in the Shadows" supported a total

FTE employment of 420 across the province. The TV series production itself employed an estimated 210 full time equivalent workers, or 50% of the total. The local spending on goods and services supported another 90 jobs along the regional supply chain or 21% of the total. A further 120 jobs, or 29% of the total, were supported by the spending of wages across the province by production crews and by employees of the show's suppliers.

In 2021, for every 100 people the production directly employed, a further 100 jobs were supported across the province through secondary effects.³

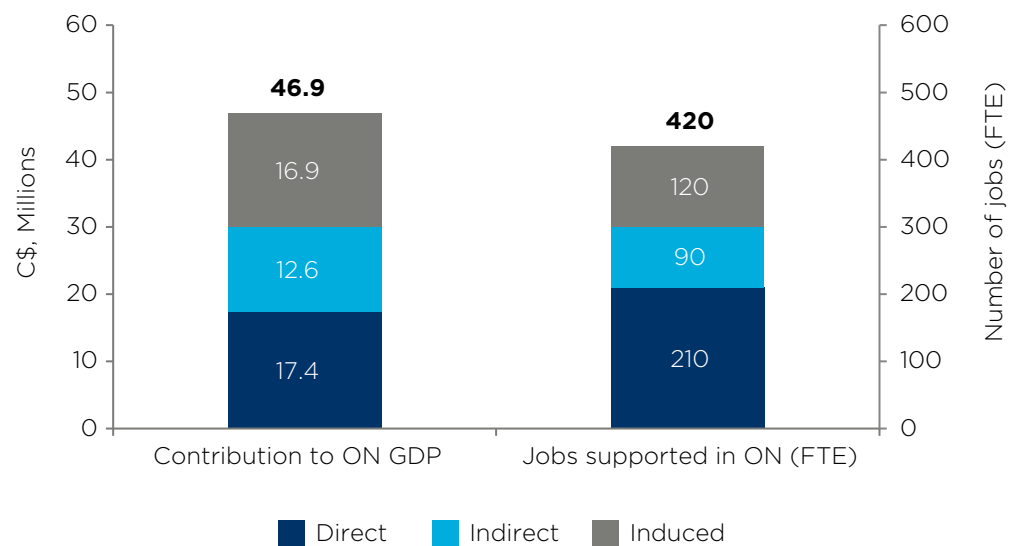
According to FX/Disney, Season Four of "What We Do in the Shadows" is estimated to have benefitted from C\$6.9 million in provincial level tax incentives. These incentives are estimated to have produced C\$6.8 in GDP for every dollar of tax incentive received by the production.

The remainder of this section describes the three channels of impact in more detail.

420 FTE

Jobs supported across Ontario as a result of Season Four of "What We Do in the Shadows"

Fig. 4: The total GDP and employment contribution supported by Season Four of "What We Do in the Shadows" in Ontario by channel of impact



Source: Oxford Economics

¹ While production spending with Ontario based vendors totals approximately C\$16.4 million, these local vendors may spend some part of this with companies outside of Ontario, resulting in an estimated impact of C\$12.6 million.
² This GDP multiplier effect is calculated by dividing the total impact (C\$46.9 million) by the direct impact (C\$17.4 million) and subtracting the result by 1.

³ This employment multiplier effect is calculated by dividing the total employment impact (420) by the direct employment impact (210) and subtracting the result by 1.

3.3 DIRECT IMPACT

During the production period, Season Four of "What We Do in the Shadows" directly employed an estimated 210 full time equivalent workers across Ontario.

We estimate that the "What We Do in the Shadows" production made a C\$17.4 million direct contribution to the province's GDP in 2021, which came from the payment of employee compensation to locally based staff.⁴

3.4 INDIRECT IMPACT

The production's positive contribution to Ontario's economy, however, extends past the contribution it makes directly through its own operations. This is related to the purchases of goods and services made from other firms in order to produce the show. This spending stimulates additional economic activity along the supply chain. This is referred to as the *indirect* impact.

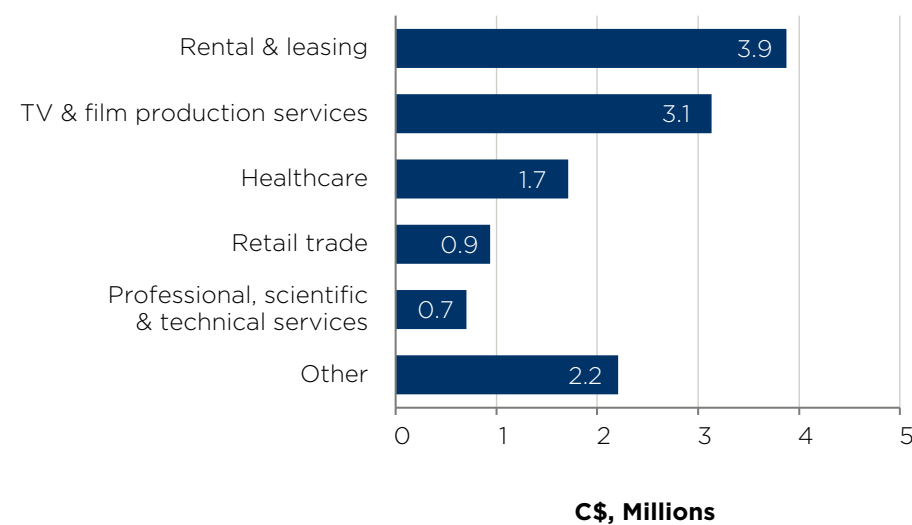
Oxford Economics calculated that the procurement associated with "What We Do in the

Shadows" Season Four stimulated a C\$12.6 million contribution to the province's GDP along the domestic supply chain.

Over half of this indirect impact (at 56%) was in rental & leasing, and TV & film production services, where the show's supply chain stimulated a GDP contribution of C\$3.9 million (31%) and C\$3.1 million (25%) respectively (Fig. 5).

The show's expenditure on inputs of goods and services from locally based suppliers also stimulated 90 full time equivalent jobs in Ontario.

Fig. 5: GDP contribution stimulated by the procurement of goods and services from local suppliers, by industry



Source: Oxford Economics

14 ⁴ The contribution to GDP generated by a company or a project can be calculated as the sum of its surplus (profits) and employee compensation. This approach, known as the income approach, is consistent with the principles of national accounting. For the purposes of this study, we take a conservative approach to this calculation and focus on the employee compensation of local workers, excluding the profits associated with the production in our calculation of direct contribution to Ontario's GDP.

3.5 INDUCED IMPACT

During the production period, local labour was paid C\$17.4 million in gross wages and salaries. In addition to this, the people whose jobs are stimulated by local spending on goods and services are also paid additional wages and salaries.

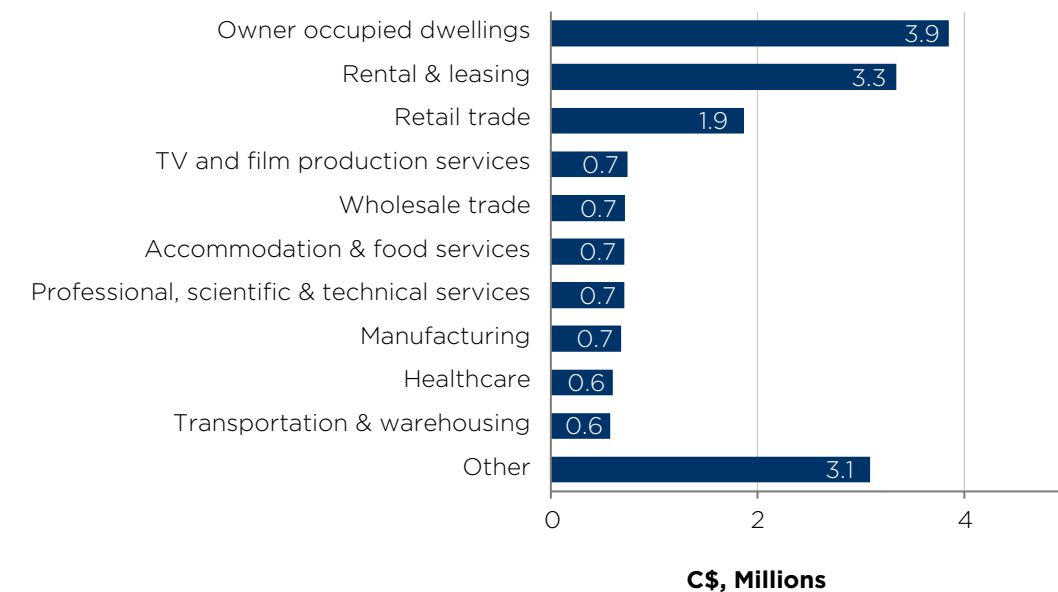
Production crews, and workers employed throughout the supply chain, spend a proportion of their wages at retail, leisure, and other outlets across the country. This stimulates economic activity

and employment at these firms, but also along their supply chains. This is referred to as the show's *induced* impact.

We estimate the wage-financed spending of local production crews and workers at locally based suppliers stimulated almost C\$16.9 million contribution to Ontario's GDP during the production period (Fig. 6).

We estimate the wage-financed consumer spending of production crews and workers within the show's supply chain supported 120 full time equivalent jobs across Ontario in 2021.

Fig. 6: GDP contribution stimulated by the payment of wages to locally based workers, by industry



Source: Oxford Economics

4. WIDER IMPACTS

In addition to the economic impacts that arise through production spending, television series such as *“What We Do in the Shadows”* can produce impacts that extend beyond the jobs and GDP they support.

The fourth season of *“What We Do in the Shadows”* was filmed primarily in and around Toronto, Ontario, from September to December 2021. As a growing hub for the TV and film production industry, the greater Toronto area continues to invest in production infrastructure, workforce development, and sustainability initiatives. As additional TV series, including *“What We Do in the Shadows”* are filmed in the region, local infrastructure and workers grow to match demand. Supported by government initiatives, as the Toronto area continues to attract additional productions, local industry organizations channel resources into educating and training workers for roles in acting, production, visual effects, and animation.⁵ Meanwhile, existing studios are not only operating at capacity, but robust growth is driving the increase in multiple new production facilities and

post-production studios.⁶ Ontario reported its highest production levels to date with 394 productions bringing in \$2.88 billion in production spending for the economy for the calendar year of 2021.⁷

The ongoing success of *“What We Do in the Shadows”* allows for local economies such as that of Toronto and its surrounding cities to not only rebound after setbacks such as Covid-19, but grow consistently and meaningfully in a way that ripples through the broader economy. While this report outlines some of the measurable economic impacts of Season Four of *“What We Do in the Shadows”*, the impact of this series is much larger, as it provides benefits on a much wider scale.

⁵ Careers in the Toronto film industry. City of Toronto. (2021, December 23).

<https://www.toronto.ca/business-economy/industry-sector-support/film/careers-in-the-toronto-film-industry/>

⁶ Toronto's screen production industry sets record with more than \$2.5 billion in direct spending in 2021. City of Toronto. (2022, March 25).

<https://www.toronto.ca/news/torontos-screen-production-industry-sets-record-with-more-than-2-5-billion-in-direct-spending-in-2021/>

⁷ Annual report 2020 | 2021 - Ontario creates. https://www.ontariocreates.ca/uploads/about-us/eng/annual-report/oc_ar21_en_v7_aoda_final_tabled-jan-25-2022.pdf



APPENDIX: METHODOLOGY

The impact of the filming of Season Four of "What We Do in the Shadows" on Ontario's economy is calculated using an economic impact assessment. This involves quantifying the production's economic contribution to the region across three channels of expenditure. The channels of impact are:

- **Direct impact** - relates to the employment and economic activity generated at the filming locations across Ontario.
- **Indirect impact** - captures the economic activity stimulated by the procurement of inputs of goods and services from the locally based supply chain.
- **Induced impact** - comprises the wider economic benefits that arise from the payment of wages by the television series, and the firms in its local supply chains, to staff who spend a proportion of this income in local retail, leisure, and other outlets.

The total impact is the sum of the three channels. This enables us to build a picture of the series' overall contribution to the region across two key metrics:

- The gross value-added contribution to Ontario's GDP.⁹
- Full time equivalent employment.

The results are presented on a gross basis, ignoring any displacement of activity from other firms or activities. Additionally, the results do not consider what the resources currently used by the show's production, or stimulated by its expenditure, could alternatively produce in their second most productive usage.

Data on the direct impact of "What We Do in the Shadows" Season Four—including the show's contribution to GDP and jobs created—were provided directly by FX/Disney. Direct GDP contribution in the region is taken to be equal to local employee compensation.

To estimate the indirect and induced GDP impacts of the show, Oxford Economics used the 2017 Statistics Canada input-output (IO) table for Ontario (the latest available). A basic domestic IO table gives a snapshot of an economy at a given point in time. The model shows the major spending flows from "final demand" (i.e., consumer spending, government spending, investment, and exports to the rest of the world); intermediate spending patterns (i.e., what each sector buys from every other sector—the supply chain in other words); how much of that spending stays within the domestic/provincial economy; and the distribution of income between employment income and other income (mainly profits). In essence, an IO table shows who buys what from whom in the economy.

To estimate the indirect impact, we used vendor-level information on the amount spent and type of goods and services purchased from local businesses over the course of the production. In order to calculate the induced impact, we took the figures for wages paid to workers, as provided by FX/Disney, and then allocated those to the sectors where they would have spent those wages in line with the proportions in the Ontario IO table. We then used those figures to show how many dollars of GDP the show's production supported in the Ontario economy for every C\$1 of direct GDP contribution, and how many jobs were stimulated across the province for each 100 people directly employed by the production.

⁹ Where GDP is the main indicator of economic activity in Ontario. It is used to measure the rate of growth or decline of the economy, and when it enters a recession.

ABOUT OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on more than 200 countries, 100 industrial sectors, and 8,000 cities and regions. Our best-in-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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December 2023

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