



OXFORD  
ECONOMICS



# ECONOMIC IMPACT OF *VIRGIN RIVER* SEASON FIVE IN BRITISH COLUMBIA

A REPORT FOR THE MOTION  
PICTURE ASSOCIATION - CANADA

SEPTEMBER 2024





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# EXECUTIVE SUMMARY

*Virgin River* is a TV series based on the book series of the same name created by Robyn Carr. The show chronicles the journey of Melinda Monroe as she moves from Los Angeles to a remote town in Northern California. As of 2024, the TV series has aired five seasons and filmed a sixth one.

The filming and production of the fifth season of the show generated considerable economic activity across British Columbia (BC) in Canada. Primarily filmed in Vancouver and the surrounding area, the fifth season directly engaged and fueled economic activity for more than 500 businesses in the province. The show's production also supported economic activity through local spending of BC residents employed by the production and its supply chain.

This study, commissioned by the Motion Picture Association (MPA) - Canada, focuses on the production of the fifth season of the show and analyzes its total economic impact in British Columbia in 2022.<sup>1</sup> The study also considers the wider impact of the show by boosting film-induced tourism and promoting the local film industry. Similar production budgets and spending patterns across British Columbia are likely to produce similar economic impact results as those presented in this study.

***Virgin River's* Season Five production supported C\$44.4 million in total spending across the province in 2022.**

The production spent C\$29.3 million (66%) on compensation paid to local production cast and crew. The remaining C\$15.1 million (34%) was spent with local suppliers of goods and services.

Oxford Economics estimates that expenditure by **the production of *Virgin River* stimulated C\$65.0 million in contribution to the province's GDP in 2022.** We find that for every C\$1 million that the production's own activities contributed to the economy, its expenditure supported an additional C\$1.2 million along its supply chain and through the payment of wages.

We find that the show's production expenditure **stimulated a total of 620 full-time equivalent (FTE) jobs across British Columbia in 2022.** For every 100 FTE jobs the production directly employed, its expenditure stimulated another 59 FTE jobs across the province.

Finally, the production benefitted from nearly C\$7.7 million in provincial tax incentives according to Netflix. These incentives provided by the Government of British Columbia are estimated to have produced C\$8.5 in GDP for every dollar of provincial tax incentive received by the production.

## C\$65m

Total contribution to British Columbia's GDP supported by the fifth season of *Virgin River*

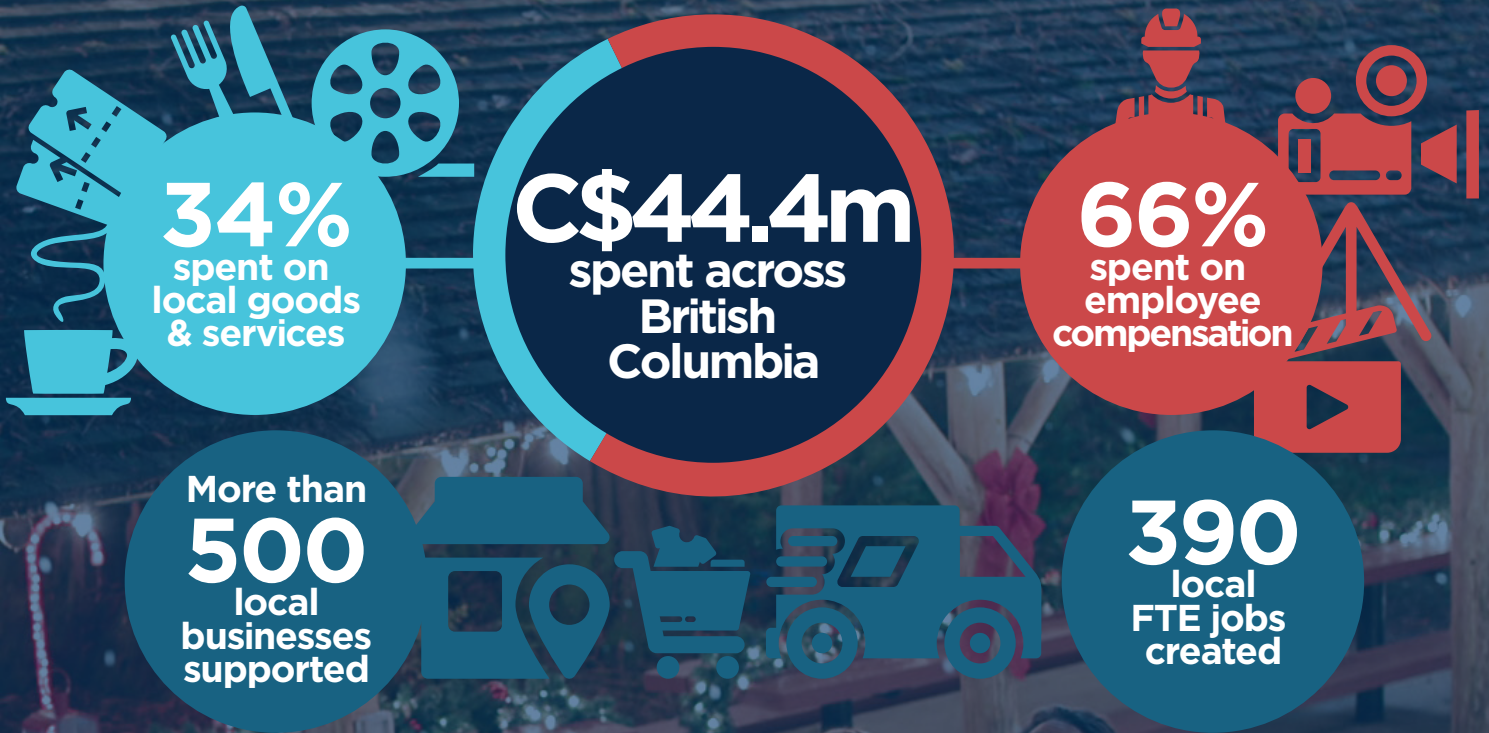
## 620 FTE

Jobs supported across British Columbia as a result of the fifth season of *Virgin River*

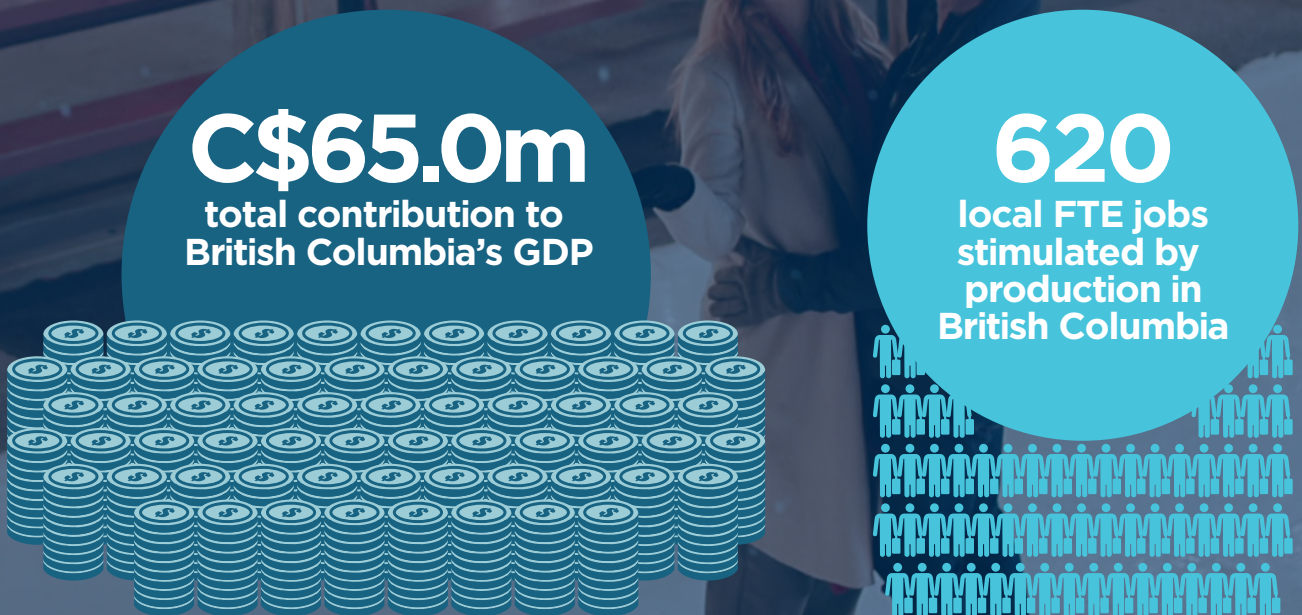
<sup>1</sup> The analysis excludes the economic impact generated outside of British Columbia, including other Canadian provinces and countries. Throughout this report, economic impacts of the show refer to the production of Season Five alone.

# THE ECONOMIC IMPACT OF VIRGIN RIVER SEASON FIVE IN BRITISH COLUMBIA

## DIRECT IMPACT OF PRODUCTION



## TOTAL IMPACT OF PRODUCTION



# 1. INTRODUCTION

*Virgin River* is a romantic drama TV series based on Robyn Carr's book series with the same name. The show's protagonist, Melinda Monroe, moves from Los Angeles to a remote town in Northern California to work as a midwife and nurse practitioner. The TV series chronicles her fresh start in a new town. The series has been filmed across British Columbia, Canada. The first season premiered in December 2019 on Netflix, with four seasons of subsequent airings. Season Five filming occurred from July through November 2022, airing on Netflix from September through November 2023. Netflix went into production on the sixth season of the show in the spring of 2024.

The Motion Picture Association - Canada commissioned Oxford Economics to conduct an independent economic impact assessment of the production of the fifth season of the show on British Columbia's economy. For the study, Oxford Economics used spending data provided by Netflix to estimate the economic impact of the production.

Similar production budgets and spending patterns across British Columbia are likely to produce similar economic impact results as those presented in this study.





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## 2. PRODUCTION SPENDING

Local TV series productions create jobs, revenue, and related infrastructure development. Physical production provides an immediate boost to the local economy, fostering job creation and economic activity in other industries across the production supply chain. In 2022, *Virgin River*'s production **spent approximately C\$44.4 million across British Columbia.**

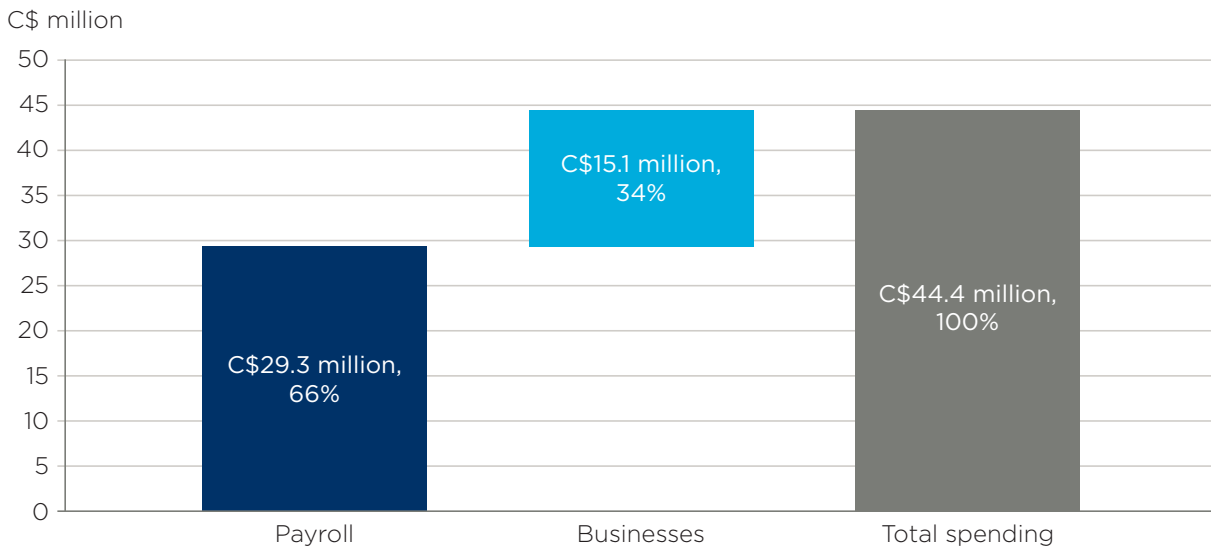
Compensation for local production cast and crew made up 66% of the total expenditure, at C\$29.3 million (see Fig. 1). Spending with local vendors of goods and services made up the remaining 34%, or C\$15.1 million.

# C\$44.4m

**Total production expenditure in British Columbia**

*Spending with local vendors on goods and services was C\$15.1 million while spending on production cast and crew was C\$29.3 million.*

**Fig. 1: Production spending of *Virgin River* in British Columbia, by type**



Source: Netflix, Oxford Economics



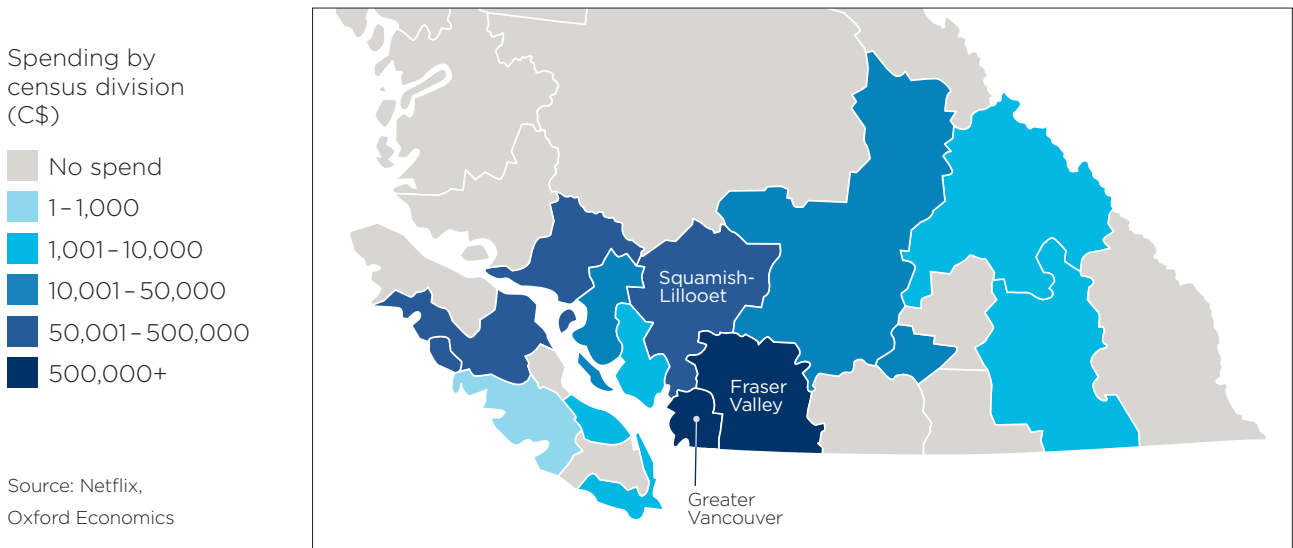
## 2.1 BUSINESS SPENDING

Production spending engaged over 500 businesses across the province. The production spent the majority of its procurement budget in the south of the province. Greater Vancouver saw the highest

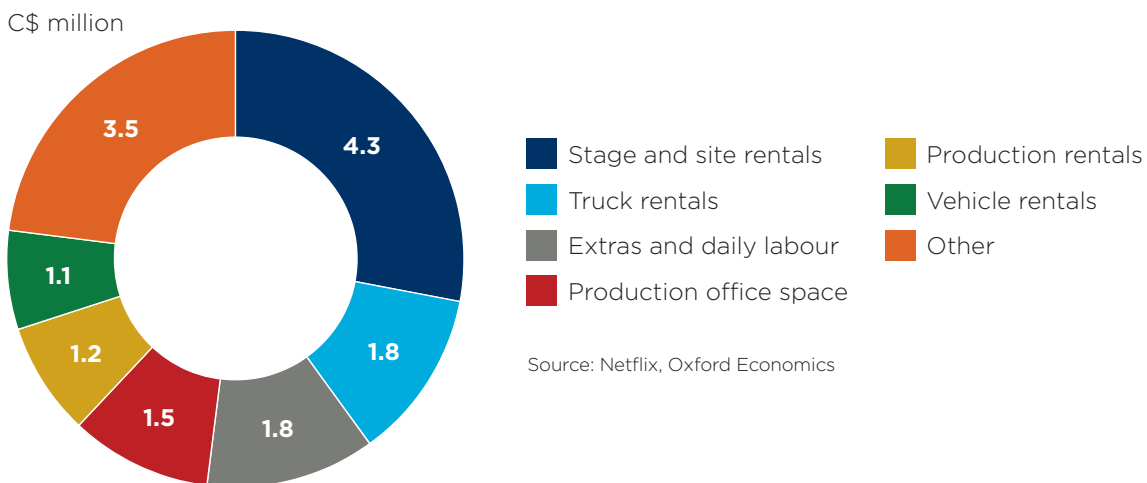
concentration of spending—with C\$12.4 million spent with local businesses. Fig. 2 below shows the distribution of business spending across the province.

TV show productions typically rely on a wide range of goods and services, engaging multiple local businesses across numerous industries (see Fig. 3). The production spent C\$4.3 million on stage

**Fig. 2: Map of spending with locally based businesses by census division<sup>2</sup>**



**Fig. 3: Spending on goods and services in British Columbia, by item**





and site rentals, or 28% of the local business spend. Some C\$1.8 million went towards extras and daily labour. Truck rentals comprised the third largest spending category,

with C\$1.8 million, followed by C\$1.5 million going towards production office space. The production spent C\$1.2 million with production rental companies, renting cameras

and other video recording equipment, while C\$1.1 million went towards other vehicle rental companies.

## THE TOURISM IMPACT OF *VIRGIN RIVER*

British Columbia's undeveloped, forested, and mountainous landscape attracts film productions seeking untamed natural settings. The filming of the Netflix series *Virgin River* took place in five different locations ranging from the city of Vancouver to classic charming Canadian small towns and rural areas that provided a more rugged, wilderness backdrop.

The region's cinematic appeal provided a captivating setting for the fictional town of *Virgin River*. According to Martin Henderson, who plays the lead male role of bar owner Jack Sheridan, natural beauty and access to the outdoors are "literally on your doorstep." Alexandra Breckenridge, who plays the nurse, agrees, saying: "The light that was streaming through the mountains looked fake, but it was so beautiful."<sup>3</sup>

Above and beyond the natural beauty of the filming locations, the commercial success of

the show has contributed considerably to increased tourism in British Columbia, attracting visitors keen to explore the landscapes and locations featured in the 54 episodes of *Virgin River* that have already hit the screens. This supports local businesses such as hotels, restaurants, and tour guides.

One such example is the Watershed Grill in Brackendale, which serves as the exterior inspiration for the show's central gathering spot. When a location scout visited the restaurant a few years ago, its owners could have never imagined that it would become a draw for thousands of *Virgin River* fans from all over the world.<sup>4</sup> As Brandy Willmot, the part owner of the Watershed Grill, puts it, "the people who come to see the shooting locations in town are tourists who are spending money in the community and meeting and connecting with other people." Despite

its newfound fame, the bar has managed to maintain its authentic and community-oriented atmosphere.<sup>5</sup>

*Virgin River* also highlights some of British Columbia's most prominent tourist destinations. For example, many of the episodes showcase New Westminster, Canada's oldest western city. The show also features a rock-climbing scene in the Smoke Buffs Park, in Squamish, a main destination for many tourists looking for adventure. Other locations include Maple Ridge, North Vancouver, Burnaby, and Langley.<sup>6</sup>

In conclusion, *Virgin River* is helping to showcase British Columbia's scenery and unique amenities to a global audience, attracting tourists who may not have otherwise considered visiting the area. This brings tourism spending, economic benefits, job creation, cultural exchange, and increased global visibility to the filming destination.

<sup>3</sup> Netflix, [Netflix in Your Neighbourhood](#), About *Virgin River*.

<sup>4</sup> The Squamish Reporter, [Emotional \*Virgin River\* fans keep flocking to Squamish to see Jack's Bar](#), September 2022.

<sup>5</sup> Mighty Travels, [6 Stunning Filming Locations from \*Virgin River\* Season 6 Worth Visiting](#), June 2024.

<sup>6</sup> Netflix, [About \*Virgin River\*](#).





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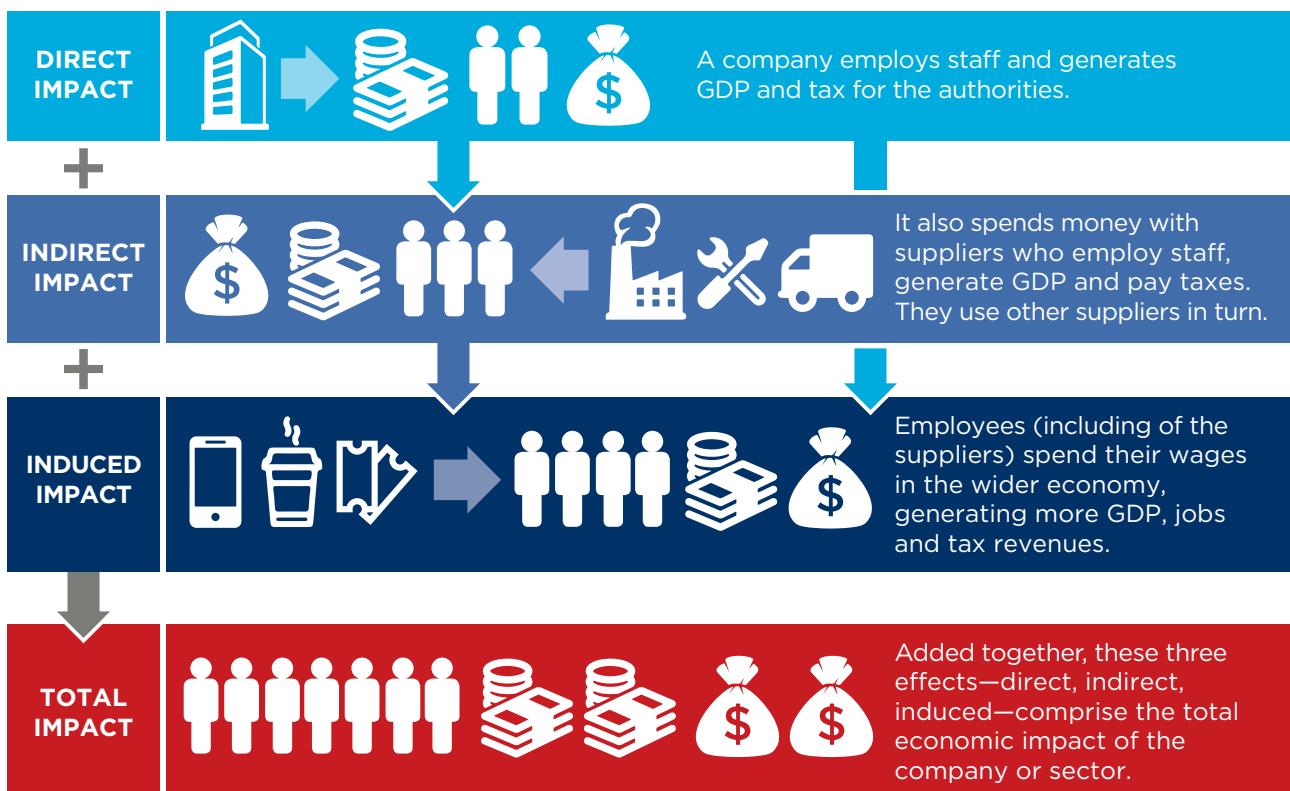


# 3. ECONOMIC IMPACTS

## 3.1 CHANNELS OF IMPACT

The impact of filming the fifth season of *Virgin River* on British Columbia’s economy is calculated using an economic impact assessment. This

involves quantifying the production’s economic contribution at the province level across three channels of expenditure, where the total impact is the sum of the three channels.



Source: Oxford Economics



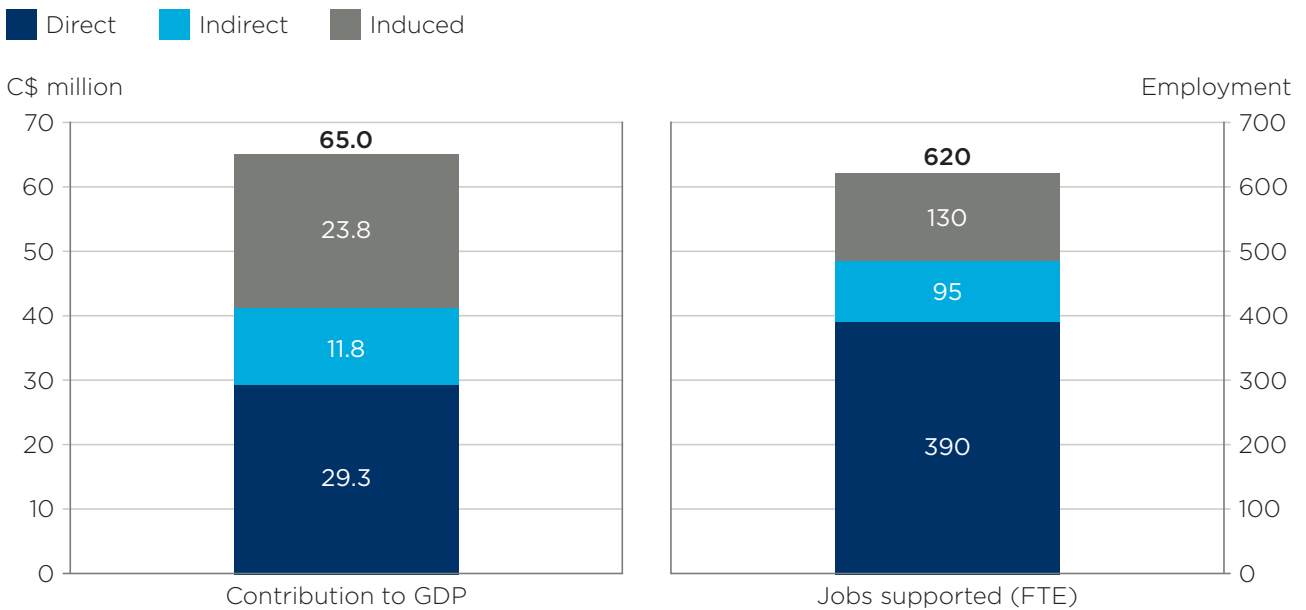
**C\$65m**  
Total contribution to British Columbia's GDP supported by *Virgin River* Season Five

**3.2 TOTAL IMPACT**

Combining all channels of impact, we find that the fifth season of *Virgin River* supported C\$65.0 million of the province's GDP during the production period. The production itself supported approximately C\$29.3 million (direct economic activity),

or 45% of the total. The local spending on goods and services supported another C\$11.8 million along the supply chain (indirect), or 18% of the total.<sup>7</sup> Wage payments from the production and from local vendors to BC residents (induced) stimulated a C\$23.8 million contribution to GDP, or 37% of the total (Fig. 4).

**Fig. 4: GDP and employment contribution supported by *Virgin River* Season Five in British Columbia by channel of impact**



Source: Oxford Economics  
Totals may not sum due to rounding.

<sup>7</sup> While production spending with British Columbia based vendors totals approximately C\$15.1 million, these local vendors may spend some part of this with companies outside of the province, resulting in an estimated impact of C\$11.8 million.

We estimate that, for every C\$1 million in direct GDP generated by the production of Season Five of *Virgin River*, its expenditure supported an additional C\$1.2 million across British Columbia.<sup>8</sup>

The production of the fifth season of the show also had a significant impact on employment in the province. In 2022, *Virgin River* supported 620 FTE workers across British Columbia. The TV series production directly employed 390 FTE BC-based workers, or 63% of the total. Local spending on goods and services supported another 95 FTE jobs along the supply chain, or 15% of the total. Spending of wages across the province by local production cast and crews and by employees of the

show's suppliers supported a further 130 FTE jobs, or 22% of the total.

We estimate that, for every 100 FTE jobs the production directly employed, a further 59 FTE jobs were supported across the province through secondary effects.<sup>9</sup>

According to Netflix, the fifth season of *Virgin River* is estimated to have benefitted from nearly C\$7.7 million in provincial tax incentives. These incentives provided by the Government of British Columbia are estimated to have produced C\$8.5 in GDP for every dollar of provincial tax incentive received by the production.<sup>10</sup>

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

# 620 FTE

**Jobs supported across British Columbia as a result of *Virgin River* Season Five**

<sup>8</sup> This GDP multiplier effect is calculated by dividing the total impact (C\$65.0 million) by the direct impact (C\$29.3 million) and subtracting 1.

<sup>9</sup> This employment multiplier effect is calculated by dividing the total employment impact (620) by the direct employment impact (390) and subtracting 1. While the employment figures presented in this report are rounded, all calculations are based on the actual figures.

<sup>10</sup> This is calculated by dividing the total impact (C\$65.0 million) by the provincial tax incentives received (C\$7.7 million).



### 3.3 DIRECT IMPACT

During the production period, *Virgin River* Season Five directly employed an estimated 390 FTE BC-based workers across the province.

We estimate that the production of the fifth season of *Virgin River* made a C\$29.3 million direct contribution to the province's GDP in 2022, which came from the payment of employee compensation to locally based staff.<sup>11</sup>

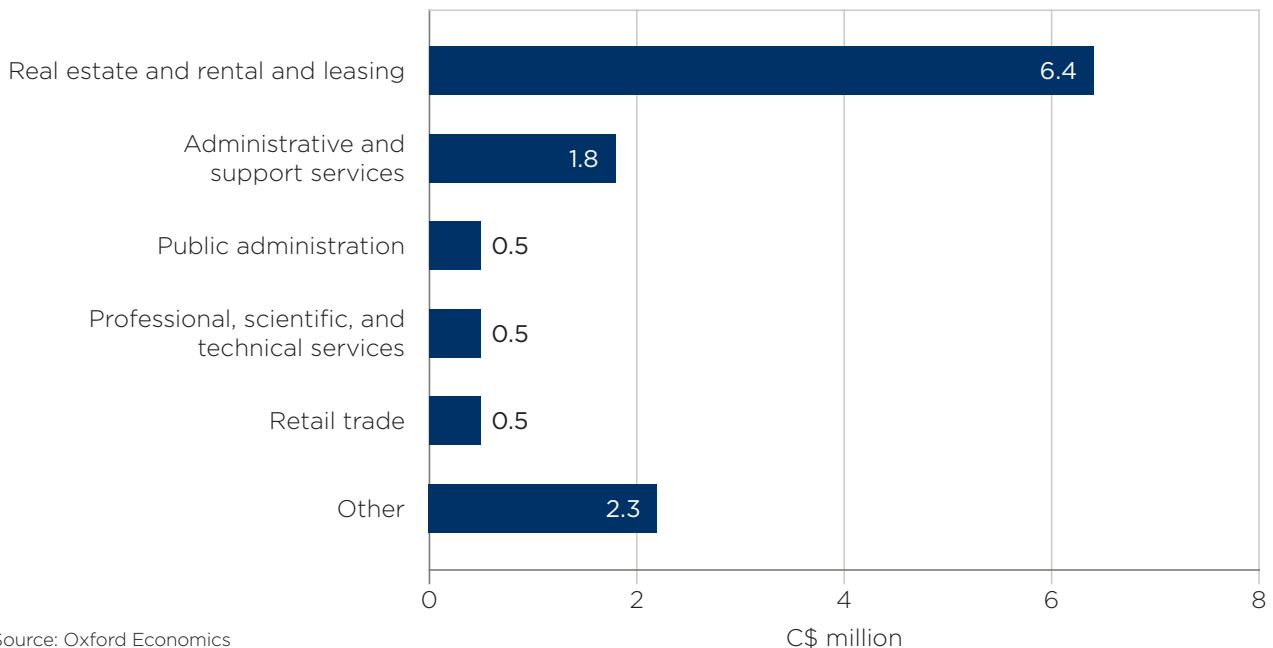
### 3.4 INDIRECT IMPACT

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

We estimate that the procurement associated with *Virgin River* Season Five stimulated an C\$11.8 million contribution to British Columbia's GDP along the domestic supply chain.

The real estate and rental and leasing industry received over 54% of the indirect impact. This industry includes vehicle, site, and production rental companies. Administrative and support services constituted around 15% of the indirect

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



Source: Oxford Economics

<sup>11</sup> 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 British Columbia's GDP.

impact, reflecting the amounts spent on accounting and payroll services (including extras and daily labour). Public administration, professional services, and retail trade followed, each making up 4% of this impact.

The show’s expenditure on inputs of goods and services from locally based suppliers stimulated 95 FTE jobs across British Columbia.

**3.5 INDUCED IMPACT**

Production cast and crews employed by the show and

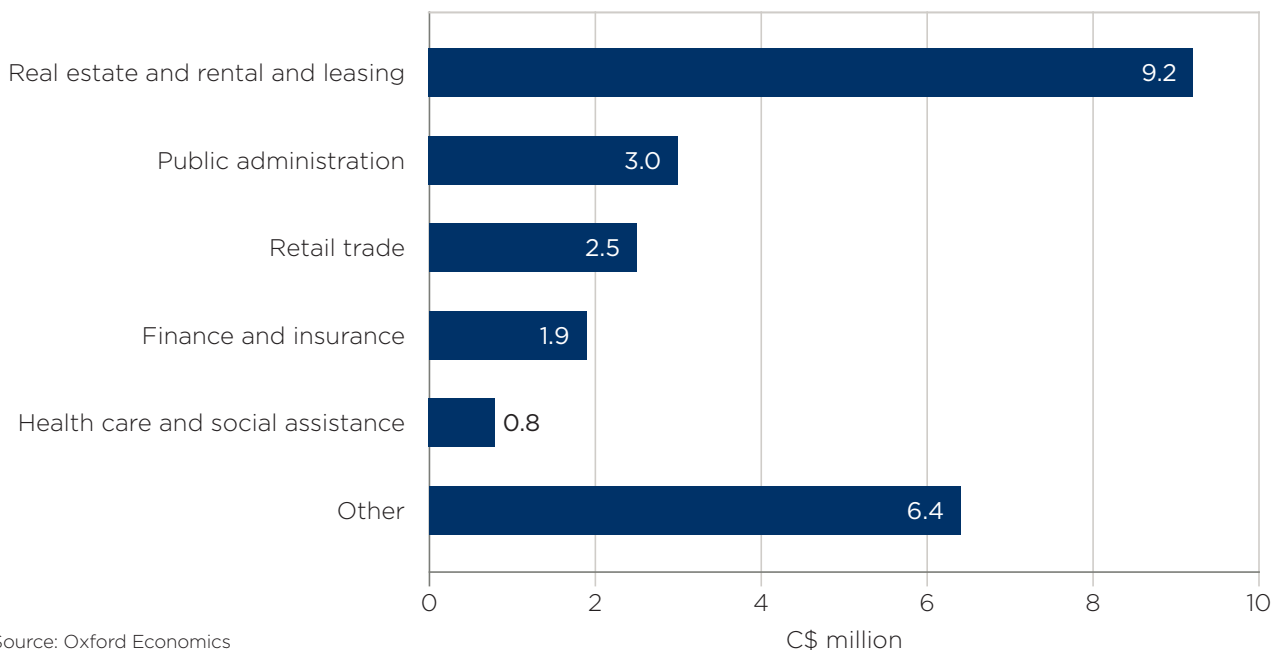
workers employed along the supply chain spend a proportion of their wages at retail, leisure, and other outlets across the province. This stimulates economic activity and employment at these establishments and along their supply chains. This is referred to as the show’s *induced* impact.

We estimate the wage-financed spending of local production cast and crews and workers at locally based suppliers stimulated C\$23.8 million toward British Columbia’s GDP during the

production period. Real estate, retail, and finance and insurance comprised many of the businesses benefitting from induced spending. In addition, the production also made considerable contributions to public administration through the induced channel (Fig. 6).

We estimate the wage financed consumer spending of local production cast and crews and workers within the show’s supply chain supported 130 FTE jobs across British Columbia in 2022.

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



Source: Oxford Economics





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## 4. WIDER IMPACTS

In addition to the economic impacts that arise through production spending, television series such as *Virgin River* can produce impacts that extend beyond the jobs and GDP they support.

Because of its mild climate and scenic appeal, British Columbia has long attracted filmmakers. In addition, from the late nineties, film and television production in the province started growing even more rapidly with the introduction of tax incentives. These helped attract both national and international productions and the creation of top-rate studios in and around Vancouver.

As described in the case study, localities used as filming locations for *Virgin River* may start attracting visitors and fans of the show. Film induced

tourism is a well-known phenomenon and it has increasingly been viewed as an important component of destination marketing.<sup>12</sup>

In an effort to leverage this phenomenon, Netflix Canada started its *Netflix in Your Neighbourhood* initiative, which showcases some of the most iconic filming locations of its shows and allows fans around the world to virtually explore the Canadian filming locations of their favourite Netflix films and series.<sup>13</sup> Some fans may then choose to visit those places in person, bringing jobs and economic activity to the local area.

As an additional wider impact, the production of *Virgin River* invested heavily in local talent, pushing their careers and names internationally. In addition to working with

locally based production companies, their cast also includes a large pool of Canadian talent. Nine of the fourteen main cast members hail from Canada.<sup>14</sup>

Through its five seasons, *Virgin River* has brought long-lasting benefits to BC-based workers and businesses. While we have not quantified the wider impacts of the production of the show in this study, it is worth observing that film and TV productions can also create additional economic, community, and social benefits. These may comprise the creation of job openings for apprentices or students, the development of business ventures, the formation of spin-off firms, and contributions to community and culture.

<sup>12</sup>See for example, Jeeyeon Hahm & Youcheng Wang (2011) "Film-Induced Tourism as a Vehicle For Destination Marketing: Is it Worth the Efforts?," *Journal of Travel & Tourism Marketing*, 28:2, 165-179 or Beeton, Sue. "Understanding film-induced tourism." *Tourism analysis* 11, no. 3 (2006): 181-188.

<sup>13</sup>Netflix, *Netflix in Your Neighborhood*.

<sup>14</sup>Netflix, *About Virgin River*.







# APPENDIX: METHODOLOGY

The impact of the filming of *Virgin River* Season Five on British Columbia's economy is calculated using an economic impact assessment. This involves quantifying the production's economic contribution to the province 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 British Columbia.
- **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 at 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 province across two key metrics:

- The gross value-added contribution to British Columbia's GDP.<sup>15</sup>
- Employment, measured in terms of FTE jobs.

The results are presented on a gross basis, ignoring any displacement of activity from other firms or activities. 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. Additionally, the results also exclude economic activity generated outside British Columbia, employment of non-resident workers, and spending with suppliers located outside the province.

Data on the direct impact of *Virgin River*—including the show's contribution to GDP and headcount jobs created—were provided directly by Netflix. Direct FTE jobs were estimated using average annual salaries in the motion picture and video industries. Direct GDP contribution in the province is taken to be equal to local employee compensation.

Indirect and induced impacts were calculated using the IMPLAN economic impact software. IMPLAN is an industry-standard tool that collates government economic data from a variety of sources and streamlines economic impact calculations across different geographies.

IMPLAN allows for adjustable assumptions of supply-chain connections and leakages from survey input data. IMPLAN is widely used and recognized by government organizations, non-profits, economic development organizations, workforce planners, education institutions, and consultants across the US and Canada.

To estimate the indirect impact, we used vendor-level information on the amount spent and type of goods and services purchased from businesses based in British Columbia over the course of the show's production. The induced impact analysis takes the wages paid to workers, as provided by Netflix, and allocates these in line with the proportions in the regional input-output matrices constructed by IMPLAN. We then used those figures to show how many dollars of GDP the show's production supported in British Columbia's economy for every C\$1 of direct GDP contribution, and how many FTE jobs were stimulated across the province for each 100 FTE workers directly employed by the production.

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<sup>15</sup>Where GDP is the main indicator of economic activity in British Columbia. It is used to measure the rate of growth or decline of the economy, and when it enters a recession.



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## September 2024

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