



Impact of the Creative Economy in Tennessee

Tennessee Department of Economic and Community Development
Center for Economic Research in Tennessee (CERT)

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Tennessee's entertainment industries are an important piece of the state's economy whose economic impacts touch many industry sectors in the state while employing thousands of Tennesseans with high quality jobs. The investment from these industries create new incomes, increase growth in infrastructure, and generate additional tax revenues for state and local governments. In 2021, the entertainment industry generated an estimated \$751 million in Gross State Product¹ for the state. Additionally, these industries created over \$483 million in new earnings² for Tennessee workers. The entertainment industry covers a broad range of industries including motion picture and sound recording, broadcasting, interactive digital media, and music publishing. Tennessee's pro-business environment and talented workforce have encouraged worldwide entertainment brands including, William Morris Endeavor, Sony, Paramount, Warner Bros. Discovery, Inc., Gibson Guitars and Live Nation to locate significant operations in the state. The Tennessee Entertainment Commission (TEC) helps support the economic development and growth of the creative economy through advancing infrastructure, workforce and content development in the state. In addition to the economic and fiscal impacts to Tennessee, its entertainment industry remains a strategic focal point for marketing and promoting Tennessee to a national and international audience. The Center for Economic Research in Tennessee (CERT) analyzed entertainment industry projects that received funding from the Tennessee Entertainment Commission to estimate the economic and fiscal impacts on the state. In addition, CERT completed an overview of the broader entertainment industry in Tennessee, which include industry establishments, employment, and wages.

HIGHLIGHTS

- An estimated **\$481.4 million** in new incomes for Tennessee workers were generated from 99 incentivized production projects.
- The projects created **8,600 new full-time equivalent Tennessee jobs** while generating **\$810.6 million** in economic output for the state.
- Since 2007, the TEC-assisted incentivized production projects purchased **\$203 million in goods and services** from approximately **12,400 Tennessee vendors**.
- Since 2014, the TEC supported incentivized and non-incentivized productions have operated in the state for over **21,100 production days**.
- In addition, the TEC has supported **over 220 production projects per year** with non-incentivized assistance. These production activities have supported the creation of **1,448 Tennessee jobs** and **\$84 million** in new incomes for Tennessee workers.
- From 2014 to 2022, Tennessee employment in motion picture and video production grew **82%**.
- Tennessee ranks **No. 5** among all states in the nation for employment in the entertainment production industry cluster; and the sector supports increased economic activity in music and other Tennessee industries.
- Tennessee's employment concentration in the music industry cluster ranks **No. 1** in the nation and is more than double the national average.
- Tennesseans employed in the music industry cluster has grown **21%** over the last five years

¹ Gross state product measures the final market value of all goods and services produced in a region. This figure is the sum of earnings, property income and taxes on production.

² Total industry earnings for the state, including wages, salaries, supplements, and proprietor earnings.

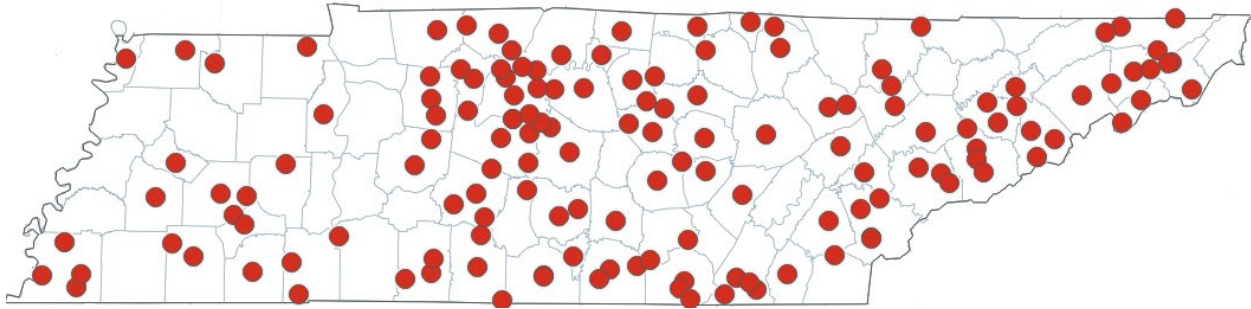
TENNESSEE ENTERTAINMENT COMMISSION

The Tennessee Entertainment Commission (TEC) strives to increase high quality job opportunities for Tennessee's creative & technology class through the promotion and implementation of programmatic initiatives that reinforce the State as a relevant market for the production & development of multimedia entertainment properties. The TEC's key activities include:

- Manage and administer the State's film/TV incentive grant and Franchise and Excise Tax Credit Program
- Manage a statewide workforce, production services and creative talent directory
- Operate and manage a statewide locations database
- Manage and administer a statewide sponsorship program
- Coordinating permits for productions utilizing State properties
- Intergovernmental and community liaison services
- Identify and recruit entertainment properties to the State
- Advancing locally developed entertainment properties
- Develop and implement campaigns promoting the State's entertainment sector

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Since 2014, the Tennessee Entertainment Commission has assisted over 1,800 entertainment based projects. The map represents cities in Tennessee that have provided a location to a TEC-assisted production project over this time period.



ECONOMIC IMPACT OF INCENTIVIZED PRODUCTION PROJECTS

As of May 31st, 2022, the TEC has actualized reimbursements or rebated Qualified Tennessee Spend to 99 production projects across Tennessee since 2007. These projects operated in the state for 13,282 total production days over the course of the analyzed time period, which includes pre-production, production and post-production operations.

2007 – 2022 ³ Projects Production Days	
Pre-Production	3,138
Production	3,942
Post-Production	6,202
Total Tennessee Production Days	13,282

CERT conducted an analysis of these projects to estimate the anticipated economic and fiscal impacts the production projects will have on the state. This includes anticipated growth in jobs and income for Tennessee residents, growth in economic output for the Tennessee economy, as well as fiscal impacts for state and local tax revenues. Each year, the TEC provides assistance to a variety of other production projects that have an impact on the state’s economy. The TEC’s support for these non-incentivized production projects includes location assistance, permitting and other support. Since 2007, 121 production have been approved and participated in the TEC production grant program. However, for this portion of the analysis CERT included only the 99 production projects that have received reimbursements or rebates for qualified Tennessee spend from the TEC.

2007 – 2022 ¹ Production Projects			
	Direct Impacts	Indirect and Induced Impacts	Total Impacts
New Tennessee Jobs ⁴	4,040	4,560	8,600
New Incomes	\$237,168,131	\$244,235,742	\$481,403,873
Economic Output	\$445,724,896	\$364,959,545	\$810,684,441

The 99 production projects included in the analysis are estimated to have created 8,600 new jobs for Tennessee residents. This includes 4,040 full-time equivalent jobs created directly through the analyzed production projects, which includes Tennessee cast and crew. An additional 4,560 induced and indirect jobs were created in the regional economy in support of the production activities. This activity indirectly impacts the supplier or vendor network through business-to-business spending. From 2007 to 2022¹, the productions purchased \$203 million in goods and services from approximately 12,400 Tennessee vendors (See Appendix A). The direct and indirect economic impacts induce additional economic activity, supported by workers re-spending parts of their salaries in the state.

³ Projects as of May 23, 2022

⁴ Full-time equivalent jobs. To calculate the number of jobs created from these projects, CERT and Impact DataSource calculated the equivalent annualized jobs based on Tennessee payroll and the industry’s average wage in the state.

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The new jobs created from the incentivized production projects, and their supporting and spinoff economic activity, are projected to have generated \$481.4 million in new income for Tennessee workers. The 4,040 direct jobs created by the projects resulted in \$237.1 million in new income. The 4,560 indirect and induced jobs are estimated to have created \$244.2 million in new income.

The 99 production projects analyzed are estimated to have generated \$445.7 million in economic output for the state of Tennessee. For every \$1 in new economic output the projects create, the state will realize approximately \$0.82 in additional output. Economic output is the value of goods and services produced in the state as a result of the project. Economic output can be thought of as the new revenue generated by the direct business and spin-off businesses. These projects will result in new job creation, infrastructure growth, and other economic activity across many sectors of the economy, including arts, entertainment and recreation; the information sector; retail trade, and health care and social assistance.

CERT estimates various taxable sales and purchases from these projects in the State of Tennessee to total approximately \$257.7 million. The estimated taxable sales and purchase includes the \$203.0 million purchased from Tennessee vendors. Taxable sales and purchases also include activity associated with worker spending in the community. The projects are estimated to have generated \$54.7 million in worker spending in Tennessee on food and other items. Vendor spending in Tennessee accounts for 78.8% of all taxable sales and purchases made in the state as a result of these projects, with worker spending on food and other items accounting for the remaining 21.2%. CERT estimates that \$23 million in sales tax revenue was generated from these taxable sales and purchases in Tennessee. This includes a projected \$17.2 million in state sales tax collections and \$5.8 million in local sales tax collections. Additionally, the assisted production projects help market and promote the state to viewers around the world. Production projects, such as the television show *Nashville*, have a powerful impact in generating interest and tourism spending in the state. Visitors help support Tennessee’s hospitality, retail, travel, and other sectors of the economy while generating significant state and local sales tax revenues.

ECONOMIC IMPACT OF NON-INCENTIVIZED PRODUCTION PROJECTS

In addition to supporting production projects through incentives, the TEC assists hundreds of other production projects across Tennessee each year. Projects that do not qualify for production incentives may still receive location, permitting, community liaison and other assistance from the state. The TEC began collecting data on these projects in 2014 with estimates of local hires, spending in the state, and the number of production days. Since 2014, the TEC assisted over 1,800 production projects across Tennessee. CERT conducted an analysis of these projects to estimate the anticipated economic and fiscal impacts these production projects will have on the state using some assumptions from the state’s incentivized production projects. These assumptions include the percentage of Tennessee payroll and vendor spend relative to the overall Tennessee production spend.

2014-2022 ⁵ Non-Incentivized Production Projects			
	Direct Impacts	Indirect and Induced Impacts	Total Impacts
New Tennessee Jobs ⁶	680	768	1,448
New Incomes	\$41,414,529	\$42,648,682	\$84,063,211
Economic Output	\$77,832,229	\$63,729,029	\$141,561,258

The non-incentivized production projects included in the analysis are estimated to have created 1,448 jobs for Tennessee residents. This includes 680 Tennessee full-time equivalent jobs created directly through the analyzed production projects.⁷ An additional 768 induced and indirect jobs were created in the regional economy in support of the motion picture production activities. The new jobs created from these production

⁵ Projects as of May 31, 2022

⁶ Full-time equivalent jobs. To calculate the number of jobs created from these projects, CERT and Impact DataSource calculated the equivalent annualized jobs based on Tennessee payroll and the industry’s average wage in the state.

⁷ To calculate the number of jobs created from these projects, CERT and Impact DataSource calculated the equivalent annualized jobs based on Tennessee payroll, hires, and the number of production days.

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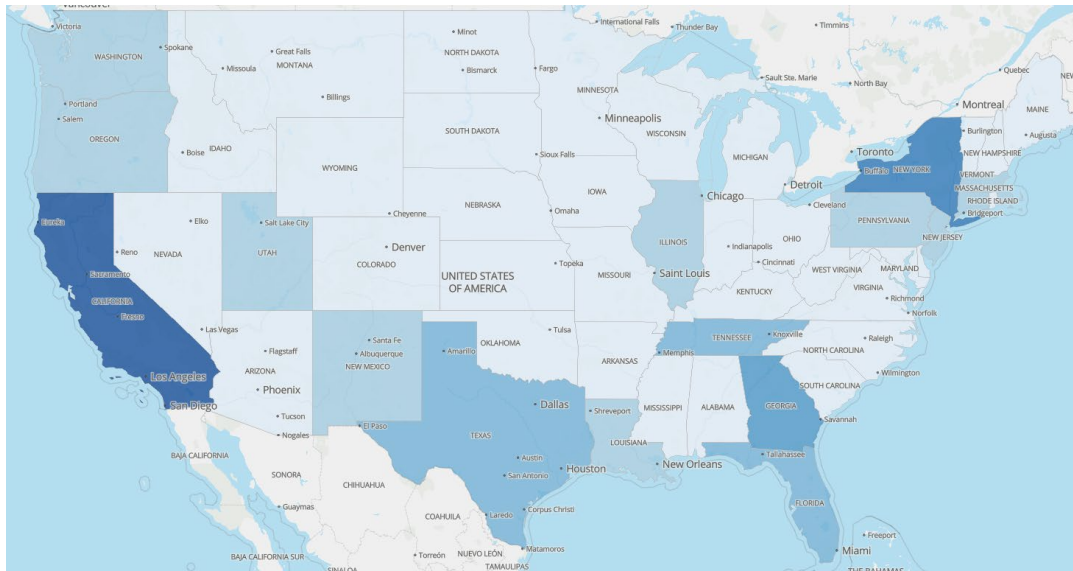
projects are estimated to have generated \$84 million in new income for Tennessee workers. Total new income created from these projects includes \$41.4 million from the direct job creation and \$42.6 million from the indirect and induced jobs.

The 1,867 non-incentivized production projects included in this analysis are estimated to have generated \$141.5 million in economic output for the State of Tennessee.⁸ In addition, CERT estimates various taxable sales and purchases from these projects to total approximately \$45.8 million in the state. This includes production purchases of \$36.4 million in goods and services from Tennessee vendors between 2014 and May 31, 2022. CERT estimates that taxable sales and purchases related to the non-incentivized production projects generated \$3.0 million in state sales tax revenue.

ENTERTAINMENT PRODUCTION CLUSTER IN TENNESSEE

The production industry in Tennessee plays an important role in the state's economy. Tennessee employment in the sector has grown significantly over the last decade, with assistance from the TEC helping to strengthen the industry by providing financial, permitting, location, and other assistance to this growing cluster. The cluster is comprised of the Motion Picture and Video Production and Distribution industries, as well as the Teleproduction and Other Postproduction industry. Tennessee's motion picture and video industries employ 5,808 workers, which **ranks No. 5** among all states for total employment in this industry cluster.⁹ The Nashville Metropolitan Statistical Area (MSA) **ranks No. 5** among 927 MSAs for industry employment with 4,450 residents employed in the industry.¹⁰ Companies in this cluster have added 2,288 new jobs in Tennessee in the last eight years, a growth rate of 65%. Tennessee workers employed in the sector earn \$68,978 in annual average earnings, which includes salaries, benefits and other supplements. Annual earnings are especially high for the Motion Picture and Video Distribution sector at \$73,748 for the state. These annual earnings are 5% above Tennessee's statewide average earnings across all sectors.

Entertainment Production Sector Employment, by State (2022)



⁸ Economic output is the value of goods and services produced in the state as a result of the project. Economic output can be thought of as the new revenue generated by the direct business and spin-off businesses.

⁹ The top ten states for employment in the motion picture and production cluster of industries are (1) California, (2) New York, (3) Georgia, (4) Florida, (5) Tennessee, (6) Texas, (7) New Jersey, (8) Pennsylvania, (9) Louisiana, and (10) Massachusetts.

¹⁰ The top ten MSAs for employment in the motion picture and production cluster of industries are (1) Los Angeles-Long Beach-Anaheim, CA; (2) New York-Newark-Jersey City, NY-NJ-PA; (3) Atlanta-Sandy Springs-Alpharetta, GA; (4) San Francisco-Oakland-Berkeley, CA; (5) Nashville-Davidson—Murfreesboro—Franklin, TN; (6) Miami-Fort Lauderdale-Pompano Beach, FL; (7) Salt Lake City, UT; (8) New Orleans-Metairie, LA; (9) Bridgeport-Stamford-Norwalk, CT; and (10) Boston-Cambridge-Newton, MA-NH.

Entertainment Production Sector Employment, by Industry (2022)

Industry (NAICS)	Employment (2022)	Employment Change (2017-2022)	% Employment Change (2017-2022)	Average Annual Total Earnings ¹¹	No. Business Locations (2021)
Motion Picture and Video Production (512110)	2,740	-1,034	-27%	\$65,597	335
Motion Picture and Video Distribution (512120)	2,576	736	40%	\$73,748	8
Teleproduction and Other Postproduction Services (512191)	491	327	199%	\$63,185	34
Total	5,808	29	1%	\$68,978	376

Source: Economic Modeling Specialists Intl. (EMSI)

The motion picture and video production industry is the primary focus of Tennessee's production incentives program, and it has a significant impact on the state's economy. In 2021, the motion picture and video production sector generated an estimated \$424 million in Gross State Product¹² for the state. Additionally, the industry sector created over \$268 million in new earnings¹³ for Tennessee workers. Over the last ten years, this industry has enjoyed significant growth in total employment in the state. From 2012 to 2022, Tennessee employment in motion picture and video production grew 64% (1,074 net new jobs). Currently, this industry employs 2,740 Tennesseans. In addition, over 330 business locations operate in the industry. Employment growth in this sector is projected to continue over the next decade. Current projections estimate the sector's employment growth over the next decade to continue outpacing overall employment growth in the state. Motion Picture and Video Production is projected to grow 19% over the next ten years, compared to 8% for all industries.

Major Entertainment Production Sector Occupations in Tennessee (2022)

Major occupations for this cluster in Tennessee include producers and directors, film and video editors, laborers and freight, stock, and material movers, audio and video equipment technicians, and various back-office occupations. Employment in the industry's many of the major occupations has grown significantly since 2017, indicating an increase in the regional talent pools. Many of the top occupations have median wages above the state's median wage for all occupations.

Occupation	Employment in Cluster (2022)	Job Growth in Cluster (2017-2022)	Median Hourly Earnings	Employment in All Industries (2022)
Producers and Directors	665	7%	\$25.18	1,788
Camera Operators, Television, Video, and Film	405	26%	\$28.69	810
Actors	400	216%	\$12.91	722
Film and Video Editors	389	28%	\$27.27	520
Laborers and Freight, Stock, and Material Movers, Hand	254	-22%	\$14.55	95,223
Audio and Video Technicians	218	-31%	\$20.77	1,325
Editors	152	85%	\$26.16	1,729
General and Operations Managers	148	6%	\$46.06	51,362
Set and Exhibit Designers	128	85%	\$20.38	267
Office Clerks, General	121	-65%	\$15.23	58,003
Production, Planning, and Expediting Clerks	117	-36%	\$21.33	8,772

¹¹ Earnings include wages and salaries, plus benefits and other supplements.

¹² Gross state product measures the final market value of all goods and services produced in a region. This figure is the sum of earnings, property income and taxes on production.

¹³ Total industry earnings for the state, including wages, salaries, supplements, and proprietor earnings.

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Occupation	Employment in Cluster (2022)	Job Growth in Cluster (2017-2022)	Median Hourly Earnings	Employment in All Industries (2022)
Media and Communication Workers, All Other	115	-20%	\$17.92	438
Electricians	112	54%	\$24.99	13,424
Fine Artists, Including Painters, Sculptors, and Illustrators	110	163%	\$16.93	383
Special Effects Artists and Animators	108	4%	\$30.83	254
Lighting Technicians and Media and Communication Equipment Workers, All Other	92	4%	\$25.45	490
Accountants and Auditors	89	-9%	\$30.83	20,611
Heavy and Tractor-Trailer Truck Drivers	83	44%	\$22.58	61,755
Project Management Specialists and Business Operations Specialists, All Other	79	-6%	\$28.93	27,803
Passenger Vehicle Drivers, Except Bus Drivers, Transit and Intercity	76	89%	\$12.43	9,488
Miscellaneous Entertainers and Performers, Sports and Related Workers	70	83%	\$14.06	331
First-Line Supervisors of Office and Administrative Support Workers	66	-25%	\$24.86	40,752
Personal Service Managers, All Other; Entertainment and Recreation Managers, Except Gambling; and Managers, All Other	62	-7%	\$34.84	17,111
Art Directors	59	9%	\$35.45	466
Writers and Authors	58	-37%	\$25.45	807

Source: Economic Modeling Specialists Intl. (EMSI)

MUSIC INDUSTRY CLUSTER

Multiple genres of music were born in the state with the music industry continuing to significantly impact the state’s economy. In 2021, the industry contributed an estimated \$3.1 billion in Gross State Product¹⁴ while generating \$1.6 billion in earnings¹⁵ for Tennessee workers. Tennessee is home to thousands of professional musicians, commercial music operations and multiple record labels have major operations in the state. The state ranks near the top in several major categories for employment, business locations, and employment growth and concentration. The music and entertainment production industry make a dynamic combination in the state. As motion pictures and television shows produced in Tennessee are distributed worldwide, so is the state’s music. Tennessee’s music industry cluster is defined by the industries provided in the table below. The music industry cluster comprises over 17,600 Tennessee jobs that include thousands of self-employed music sector jobs and those employed at 1,262 business locations across the state¹⁶. Employment in the cluster has grown 49% since 2012 and is projected to grow 19% over the next ten years.

Tennessee’s employment concentration in the music industry cluster relative to total workforce size ranks **No. 1** in the nation and is 2.16x the national average. Tennessee also ranks **No. 5** in the nation for employment in this cluster.¹⁷ For all six of Tennessee’s music cluster industries, the state ranks among the top 10 states nationally for total employment and for employment concentration quotient. This includes the following rankings:

- **No. 1** for employment and for workforce concentration in music publishing
- **No. 1** for workforce concentration and **No. 3** for total employment in record production and distribution

¹⁴ Gross state product measures the final market value of all goods and services produced in a region. This figure is the sum of earnings, property income and taxes on production.

¹⁵ Total industry earnings for the state, including wages, salaries, supplements, and proprietor earnings.

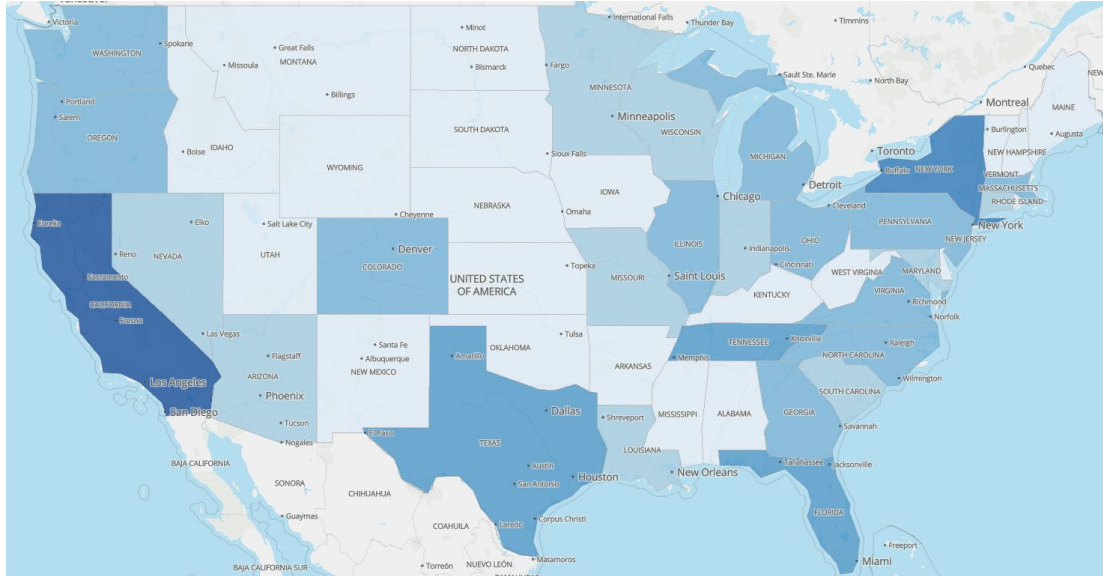
¹⁶ Employment figures include QCEW Employees and self-employed workers in these sectors.

¹⁷ The top ten states for employment in music industries are California, New York, Texas, Florida, **Tennessee**, Georgia, Illinois, Pennsylvania, Washington, and Massachusetts.

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- **No. 1** for workforce concentration and **No. 4** for employment in the sound recording studios industry
- **No. 1** for workforce concentration and **No. 4** for employment in the musical groups and artists industry
- **No. 1** for workforce concentration and **No. 5** for employment in the other sound recording industries

Music Industry Cluster, Employment Concentration Quotient (2022)



Tennessee's Music Industry Cluster (2022)¹⁸

Industry (NAICS)	Employment (2022)	Employment Change (2017-2022)	% Employment Change (2017-2022)	Average Annual Earnings ¹⁹	Average Annual Wages	No. Business Locations (2021)
Music Publishers (512230)	2,606	954	58%	\$93,903	\$80,042	149
Sound Recording Studios (512240)	917	391	74%	\$38,231	\$36,518	75
Record Production and Distribution (512250)	1,750	688	65%	\$116,932	\$99,325	99
Other Sound Recording Industries (512290)	229	81	55%	\$55,556	\$49,231	28
Musical Groups and Artists (711130)	4,327	(147)	(3%)	\$70,629	\$64,341	467
Independent Artists, Writers, and Performers (711510)	7,817	1,116	17%	\$48,744	\$46,676	445
Total	17,647	3,083	21%	\$67,000	\$60,609	1,262

Source: Economic Modeling Specialists Intl. (EMS)

TEC data shows that the 99 incentivized production projects alone have spent more than \$13.3 million on music created in Tennessee since 2007. The spending only helps to strengthen the state's robust music industry and to support the growth of the Tennessee entertainment sector.

The Tennessee Department of Economic and Community Development (TNECD) actively recruits Music Industry businesses to locate or expand in the state. Since 2016, TNECD projects have committed to create over 1,000 new jobs within the Music Industry cluster while investing nearly \$60 million in the state. Major projects include iHeart Media + Entertainment, Inc., Warner Music Group and Universal Music Publishing Group.

¹⁸ Employment figures include QCEW Employees and self-employed workers in these sectors.

¹⁹ Including benefits and other supplements.

INTERACTIVE DIGITAL MEDIA

Creative Technology is one of the fastest growing segments of the Entertainment Industry today, which combines elements of both the traditional creative class and the information technology industry. The explosion of personal technology devices and mobile broadband connectivity has enabled Interactive Digital Media firms to create and launch products and platforms that can instantly reach a global consumer audience at a previously unprecedented scale. Furthermore, shifts in the domestic economic landscape mean that these types of companies are no longer as geographically bound to locations like Silicon Valley and are increasingly expanding or relocating to other markets. Tennessee continues to hold a few key competitive advantages for growth in this sector including, the legislative enactment of The Tennessee Broadband Accessibility Act, a high-quality of life, favorable tax and regulatory climate, rich culture, lower cost of doing business and expanded State focus on Tech-related majors, accelerators, apprenticeships, boot camps and community colleges. Many Interactive Digital Media brands have operations in the state including: Traega Entertainment, Quaver Music, Muzology, Thinking Media/Learning Blade, Snapshot VR, SeaLost Interactive, Elastic Pictures, Action VFX, Fivestone Studios, Magnetic Dreams, Lokion Interactive, Brentwood Studios, Artist Growth.

To better support these companies and creators, the TEC began an initiative in 2016 to increase the activities of existing digital content creators while helping recruit new creators to the state. Areas of focus included Video Game Development, Animation, Virtual/Augmented/Mixed Reality (XR), EdTech, Music Tech and E-Sports. The Commission performed regional round tables which identified four primary barriers (industry fragmentation, perceptions of the state, deficiencies of relevant skills, insufficient tools and resources for competitive recruitment). To address these barriers the TEC focused on the following:

- Established an Interactive Digital Media Advisory Council (2016-21)
- Created an Interactive Digital Media Resource Directory
- Activated resources to profile Interactive Digital Media Brands with Presence in the State
- Launched a Digital Media Community Grant Program
- Passed the Visual Content Modernization Act of 2018
- Provided Public-Private Sponsorship Funds to Statewide, Local & Regional Organizations
- Engaged TBR & Member Institutions to Pursue an Innovative TN Digital Media Academy

HIGHER EDUCATION PROGRAMS AND COMPLETIONS

As employment opportunities have increased in Tennessee's production industry, completions of Tennessee students in several relevant entertainment programs at the state's higher education institutions have continued to increase over the last few years. Major programs include Acting, Drama and Dramatics/Theatre Arts, Dramatic/Theatre Arts and Stagecraft, Cinematography and Film/Video Production, Graphic Design, and Recording Arts Technology/Technicians. Over the last five years, Tennessee institutions awarded 8,600 certificates and degrees in the relevant production programs listed below. Institutions offering programs relevant to the industry include Belmont University (Nashville), East Tennessee State University (Johnson City), Middle Tennessee State University (Murfreesboro), Chattanooga State Community College, and Pellissippi State Community College (Knoxville). Belmont University's Mike Curb College of Entertainment & Music Business has been named one of the Best Music Business Programs in the country by Rolling Stone and Time Magazine, as well as, a Top 10 Music Business School by Billboard Magazine and Top 30 film School in North America by Variety Magazine. Animation Career Review ranked East Tennessee State University among the top animation and game design schools in the South in their 2021 rankings. The TEC and the State of Tennessee strives to foster an environment where Tennessee students graduating from Creative programs have opportunities for high quality employment in the state. Additionally, it is vital for the state's economy to provide a talented workforce, which helps encourage businesses to locate and expand in Tennessee.

Relevant Program Completions at Tennessee Higher Education Institutions (2016-2020)

Program	Completions (2016 - 2020)
Music Management	2,600
Recording Arts Technology/Technician	1,098
Drama and Dramatics/Theatre Arts, General	683
Cinematography and Film/Video Production	626
Commercial and Advertising Art	625
Graphic Design	486
Communications Technology/Technician	433
Web Page, Digital/Multimedia and Information Resources Design	381
Acting	308
Animation, Interactive Technology, Video Graphics, and Special Effects	265
Digital Communication and Media/Multimedia	257
Design and Visual Communications, General	205
Music Technology	137
Photographic and Film/Video Technology/Technician	135
Digital Arts	126
Film/Cinema/Media Studies	108
Intermedia/Multimedia	88
Game and Interactive Media Design	43

Source: Economic Modeling Specialists Intl. (EMSI)

CONCLUSION

The creative economy is a vital part of the state's economic landscape. These industries help generate new incomes for Tennessee workers, grow infrastructure, support small businesses, increase economic output, and raise state and local sales tax collections. In 2021, the entertainment industry generated an estimated \$751 million in Gross State Product²⁰ for the state and over \$483 million in new earnings²¹ for Tennessee workers. The TEC and the State help support the creative economy in a variety of ways including high quality job creation, advancing infrastructure development, promoting State resources, increasing site locations, liaison services, supporting local organizations and incentivizing statewide entertainment production projects. Since 2007²², the TEC provided reimbursements or rebates for qualified Tennessee spend to 99 production projects across Tennessee. CERT estimates that the production projects generated \$257 million in taxable sales and purchases in Tennessee, resulting in \$23 million in sales tax revenue. This includes a projected \$17.2 million in state sales tax collections and \$5.8 million in local sales tax collections. In addition, the TEC supports an average of 220 non-incentivized projects each year with permitting, location and other assistance. These projects help generate further investments in the state's creative economy. While investing in the state and employing Tennessee workers, the production projects promote Tennessee to a global audience. This exposure leads to increased tourism and a substantial economic and fiscal impact for the state while supporting other sectors of Tennessee's economy.

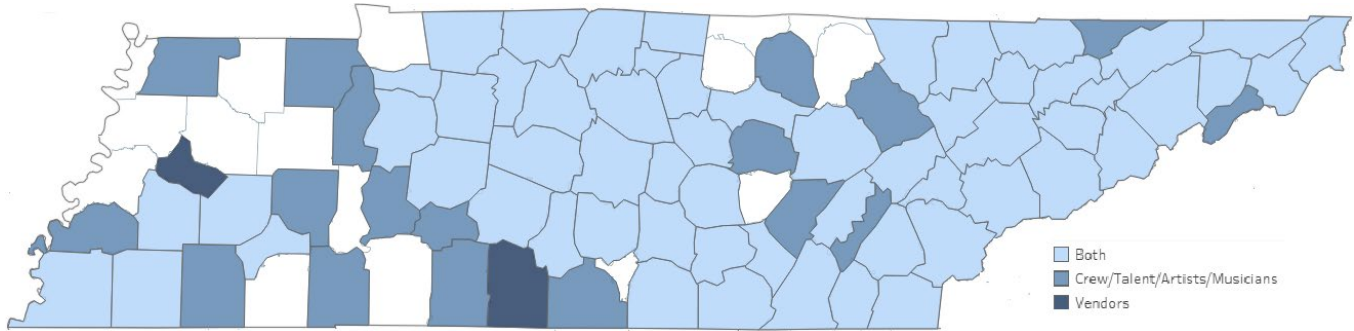
²⁰ Gross state product measures the final market value of all goods and services produced in a region. This figure is the sum of earnings, property income and taxes on production.

²¹ Total industry earnings for the state, including wages, salaries, supplements, and proprietor earnings.

²² As of May 31, 2022

APPENDIX A

79 of the state's 95 Counties (83%) have Crew, Artists, Talent, Musicians and/or Vendor Locations supporting the Creative Economy



Source: TEC Production Directory, SAG-AFTRA Membership Directory, AFM Local 257 and IATSE 492 Database