

## ERNST & YOUNG STUDY SAYS FILM INDUSTRY CREATES JOBS REVENUE



The study, researched since September by Ernst & Young and released Friday by the Governor's Office and the state Film Office, reports that for every \$1 the state spends on film, it gets \$1.50 back. "We're really happy," said Nick Smerigan of Albuquerque Studios. "Trust me, across the United States, this is going to be the survey that tilts a lot of windmills. "But we knew this all along."

Smerigan and others had disagreed with the results of a study released late last year that showed the state gets back just 14 cents in taxes for every dollar it gives the film industry in incentives. That study was done for the Legislative Finance Committee by the Arrowhead Center, which is the economic development arm at New Mexico State University.

But critics said the Arrowhead study was too narrow and didn't take into account money spent building studios, revenue from out-of-state crew members and other spending, which the Ernst & Young study did.

Albuquerque Studios, for example, has spent more than \$100 million building its studios and has hosted several of the state's biggest films, from "Terminator: Salvation" to "The Spirit."

Last summer state Sen. John Arthur Smith, a Deming Democrat, floated a proposal that would have capped film program incentives. The Ernst & Young study said the film industry has brought in several million dollars in capital improvements; created 2,200 direct jobs, including 1,670 jobs with average annual salaries of \$49,500; created 9,210 indirect jobs; brought in \$22.6 million in state tax collection; and was a boon to the state's tourism industry.

The study was based on the year 2007, when 36 films were made here. Last year, however, a record-breaking 44 films were made in New Mexico, according to the Film Office.

"I'm a total product of the incentives," said Brent Morris, a producer who moved here from Los Angeles in 2005. He's now working on the film "Friendship!", which wraps Wednesday in Albuquerque.

Though jobs and economic impact were the focus of the study, film tourism also was examined. Film is directly responsible for about \$18.9 million of tourism money as vacationers look to find the locations of some of their favorite films, the study said. Search for Jobs online [www.employmentcrossing.com](http://www.employmentcrossing.com)