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AUTHOR’S ACKNOWLEDGEMENTS
Our research assistant, Patricia Muething, performed much of the computer work that was used
throughout this Report. Economists Incorporated is grateful to the International Intellectual Prop-
erty Alliance (IIPA) and its member associations for their support and assistance in the drafting of
this Report. We thank Michael Schlesinger of the IIPA for his guidance throughout this process, and
we would also like to thank Pamela Burchette for her assistance in preparing this Report.

Formed in 1984, the IIPA is a private sector coalition of trade associations representing U.S. copy-
right-based industries in bilateral and multilateral efforts working to improve international protec-
tion and enforcement of copyrighted materials and open up foreign markets closed by piracy and
other market access barriers. IIPA’s six member associations represent over 3,200 U.S. companies
producing and distributing materials protected by copyright laws throughout the world—all types
of computer and video games for video game consoles, personal computers, and the Internet; the-
atrical films, television programs, DVDs and home video and digital representations of audiovisual
works; music, records, CDs, and audiocassettes; and fiction and non-fiction books, education in-
structional and assessment materials, and professional and scholarly journals, databases and soft-
ware in all formats. Visit www.iipa.com. Members of the IIPA include Association of American Pub-
lishers, Entertainment Software Association, Independent Film & Television Alliance, Motion Picture
Association of America, National Music Publishers’ Association, and Recording Industry Association
of America.
Since 1984, IIPA and its association members – producers and distributors of movies, music, videogames, and books and journals for the world – have worked in partnership with the U.S. government to improve copyright protection and provide fairer and more equitable market access in foreign markets. These efforts have resulted in significant improvements in copyright laws and enforcement around the world, and in the lowering of market access barriers that have made it more difficult for creators to compete on a level playing field in global markets. These improvements in turn have had a substantial positive impact over the years on how these industries contribute to the U.S. economy, in terms of overall contribution, employment and wages, and foreign sales and exports, thereby benefiting millions of individuals and enterprises in the United States.

To quantify the contribution of the copyright industries, IIPA commenced a series of economic studies in 1990. Copyright Industries in the U.S. Economy: The 2014 Report, the fifteenth such report, by Stephen E. Siwek of Economists Incorporated, covers the period 2009-2013. This Report shows that the copyright industries make up an increasingly large percentage of value added to GDP; create more and better-paying jobs; grow faster than the rest of the U.S. economy; and contribute substantially to U.S. foreign sales and exports, outpacing many industry sectors. The contribution of the core copyright industries to the U.S. economy now well surpasses one trillion dollars in a single year.¹

As international trade has increased and globalized, foreign governments and intergovernmental organizations such as the World Intellectual Property Organization (WIPO) have become acutely aware of the significance of copyright industries to national economies, and the linkage to their economic growth, technological innovation, and cultural diversity. In 2003, WIPO took a critical step forward in issuing a Guide on Surveying the Economic Contribution of the Copyright-Based Industries. The Guide, developed by an experts’ group which included the author of this Report, Stephen E. Siwek, describes methodologies for measuring the role of copyright industries in domestic economies. These methodologies have now been adopted in well over 40 countries’ national reports. The Guide is currently under revision, and at the same time, more domestic studies are in the pipeline.² These national studies provide the economic underpinnings for efforts to reform copyright law and enforcement and to lower rates of copyright piracy.

Despite the robust achievements of the copyright industries during the period covered in this Report, significant challenges remain. The copyright industries derive a growing percentage of their revenue from the digital marketplace. Problems such as online piracy and unlicensed uses of copyright materials, as well as market access and other discriminatory challenges, inhibit the growth of these markets in the U.S. and abroad. Economic reports such as this one underscore what is at stake. They provide a compelling argument for more effective legal, enforcement, and market access regimes to promote and foster the growth of the copyright industries throughout the world.

– Michael Schlesinger and Steven J. Metalitz, International Intellectual Property Alliance

¹ The “core” copyright industries are those industries whose primary purpose is to create, produce, distribute or exhibit copyright materials.
Copyright Industries in the U.S. Economy: The 2014 Report demonstrates that the core copyright industries of the United States – those industries whose primary purpose is to create, produce, distribute or exhibit copyright materials – provide significant value added to GDP; an increasing number of high-paying jobs; real growth which outpaces the rest of the economy; and substantial foreign sales and exports, surpassing many industry sectors.

Copyright Industries Contribute Significantly to U.S. Gross Domestic Product (GDP)

• In 2013, the value added by the core copyright industries to U.S. GDP reached more than $1.1 trillion dollars ($1,126.59 billion), accounting for 6.71% of the U.S. economy.
• In 2013, the value added by the total copyright industries to GDP exceeded $1.9 trillion ($1,922 billion), accounting for 11.44% of the U.S. economy.

Copyright Industries Employ Millions of Workers Who Earn a “Compensation Premium”

• The core copyright industries employed nearly 5.5 million workers in 2013, accounting for 4.03% of the entire U.S. workforce, and nearly 4.81% of total private employment in the U.S.
• The average annual 2013 compensation paid to core copyright workers – $87,860 – far exceeds the average annual compensation paid to all U.S. workers – $65,723 – amounting to a 34% “compensation premium” over the average U.S. annual wage.
• The total copyright industries employed more than 11.2 million workers in 2013, accounting for 8.26% of all U.S. employment, or 9.85% of all private employment in the United States. The average annual compensation paid to employees of the total copyright industries in 2013, $77,942, exceeds the U.S. average annual wage by around 19%.

Copyright Industries’ Real Growth Rates Outpace the Rest of the U.S. Economy

• During the period 2009-2013, the core copyright industries grew at an aggregate annual rate of 3.9%. The average annual growth rate of the entire U.S. economy over the same period was only 2.25%. The core copyright industries grew at a rate more than 70% greater than the remainder of the U.S. economy.
• During the same period, the total copyright industries grew at an annual rate of 3.45%, also well surpassing the growth rate for the remainder of the U.S. economy.

Copyright Industries Contribute Significantly to Foreign Sales and Exports, Outperforming Many Major U.S. Industry Sectors

• Sales of select U.S. copyright products in overseas markets amounted to $156.3 billion in 2013, a significant increase over previous years.
• As a comparison, the foreign sales of select copyright industry sectors exceed foreign sales of other major U.S. industries, including chemicals (excluding pharmaceuticals and medicines) ($147.8 billion), aerospace products and parts ($128.3 billion), agriculture ($68.9 billion), and pharmaceuticals and medicines ($51.6 billion).

1 The “total” copyright industries include not only the core copyright but also the partial copyright, non-dedicated support, and interdependent industries. “Partial” copyright industries are industries in which only some aspect or portion of the products that they create qualify for copyright protection. These industries range from fabric to jewelry to furniture to toys and games. “Non-dedicated support” industries include industries that distribute both copyright and non-copyright protected materials to businesses and consumers. Examples here include transportation services, telecommunications and wholesale and retail trade. As in past studies, only a portion of the total value added by these industries is considered to be part of the copyright industries. “Interdependent” industries include those that produce, manufacture, and sell equipment whose function is primarily to facilitate the creation, production, or use of works of copyrighted matter. These industries include manufacturers, wholesalers and retailers of TV sets, personal computers, and other devices, and usage dependent products including blank recording material, and certain categories of paper.