

THE MARKETPLACE FOR WRITING

For a calendar year of writing truncated to ten months by the 2007 strike, earnings reported by WGAW writers surprisingly reached a new all-time record. This high point reflected accelerated work on feature film scripts in anticipation of the squeeze between the potential WGA and SAG strikes. Thus, a trend cannot be expected. Television earnings declined, reflecting the loss of two months of television series production. What's more, the number of writers employed continued to stagnate.

Total earnings reported for 2007 reached \$942.9 million, a new all-time high. This was 4.0% higher than the prior year and 2.1% higher than the previous all-time high earnings in 2005.

The record earnings were reported by 4,395 writers. This employment figure was 1.1% less than 2006 and 6.1% less than the all-time high employment level of 4,683 writers in 2000.

TOTAL EARNINGS FOR WGAW WRITERS AND NUMBER OF WRITERS REPORTING EARNINGS

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED	PERCENT CHANGE VS. PRIOR YEAR
2002	4,422	---	\$817.9 million	---
2003	4,416	-1.4%	\$851.3 million	+4.1%
2004	4,404	-0.3%	\$870.6 million	+2.3%
2005	4,491	+2.0%	\$923.7 million	+6.1%
2006	4,443	-1.1%	\$906.3 million	-1.9%
2007	4,395	-1.1%	\$942.9 million	+4.0%

Source: WGAW Records

Television earnings totaling \$437.3 million were reported by 3,215 writers in 2007. This was 6.8% less than the earnings reported in 2006 and 2.1% fewer writers reported earning television income. As many as eight weeks of television series production work was lost or deferred to 2008 because of the WGA strike. While the earnings total in 2007 is the lowest in three years, the employment level is the lowest in eleven years. Though exaggerated by the strike, this decade-spanning low employment level nonetheless reflects the recent history of contracting television employment. The decline is largely attributable to the emergence of prime time reality television, which uses fewer writers than prime time series and is often not covered by the WGA contract. In addition, the relative popularity of hour-long formats, especially drama, is a negative factor in employment compared with half hour formats, which more than double the number of writers per hour of television produced. Some of the lost earnings in 2007 will be recovered in 2008 due to a strike-delayed hiatus period for many series. Yet, a WGAW review of series production indicates that approximately 20% of television episodes intended for the 2007-2008 season will not be produced or will be deferred to the 2008-2009 season.

EARNINGS AND EMPLOYMENT IN TELEVISION

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED	PERCENT CHANGE VS. PRIOR YEAR
2002	3,329	---	\$403.8 million	---
2003	3,305	-0.7%	\$415.7 million	+2.9%
2004	3,300	-0.2%	\$432.3 million	+1.8%
2005	3,357	+1.7%	\$467.8 million	+8.2%
2006	3,284	-2.2%	\$469.1 million	+0.3%
2007	3,215	-2.1%	\$437.3 million	-6.8%

Source: WGAW Records

In contrast to the decline in television employment, screenwriters in feature film had a strong year. The strong earnings in 2007 could, however, be borrowing from the future. Much of the increased work appears to be related to accelerated employment prior to the strike. The fall 2007 WGA strike and the summer 2008 SAG strike threat created a carefully scheduled feature film production period between November 2007 and June 2008. WGA-gathered information indicates that of the approximately 150 films projected to start principal photography in January through June 2008, only about 100 actually started production, indicating that about 50 films were deprived of necessary production rewrites by the November through mid-February strike. Yet, many rewrites appear to have been completed prior to November. Whether this pre-strike activity will draw income from 2008 remains to be seen. The increased earnings were earned by a smaller number of writers than the year before.

The feature film earnings totaled \$502.5 million, based on screenwriting reports from 1,899 writers. This was record earnings total, up 15.9% over the total in 2006 and 11.0% higher than the prior record of \$452.8 million in 2005. The rebound after a down year in 2006 was not a search for a larger screenwriting pool, however, as the number of writers reporting screen employment totaled 1,899, 2.6% fewer writers than the year before. In contrast, while earnings declined in 2006, the number of writers of feature film scripts grew in that year to 1,950, the highest number ever.

EARNINGS AND EMPLOYMENT IN SCREEN

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED	PERCENT CHANGE VS. PRIOR YEAR
2002	1,848	---	\$412.3 million	---
2003	1,882	+1.8%	\$433.6 million	+5.2%
2004	1,862	-1.1%	\$435.9 million	+0.5%
2005	1,914	+2.8%	\$452.8 million	+3.9%
2006	1,950	+1.9%	\$433.7 million	-4.2%
2007	1,899	-2.6%	\$502.5 million	+15.9%

Source: WGAW Records

In the small and thus volatile area of non-film, non-television earnings, 95 writers reported \$3.1 million in earnings in 2007. These were lower than the prior year's record, when 105 writers reported \$3.4 million in earnings. These reports encompass a wide range of employment types, making it difficult to observe or predict trends.

**EARNINGS AND EMPLOYMENT IN RADIO NEWS,
INFORMATIONAL AND INTERACTIVE**

YEAR	NUMBER OF WRITERS REPORTING EARNINGS	PERCENT CHANGE VS. PRIOR YEAR	TOTAL EARNINGS REPORTED	PERCENT CHANGE VS. PRIOR YEAR
2002	70	---	\$1.8 million	---
2003	67	-4.3%	\$2.1 million	+16.7%
2004	54	+19.4%	\$2.5 million	+19.0%
2005	70	+29.6%	\$3.1 million	+47.6%
2006	105	+50.0%	\$3.4 million	+9.7%
2007	95	-9.5%	\$3.1 million	-8.8%

Source: WGAW Records

Writers' employment is inherently intermittent. Looking at a four-year earnings average provides a better indication of the real annual earnings as a writer for WGAW writers than looking at the average of just one year. Over the four-year period ending with 2007, the median WGAW writer reported \$60,009 in average annual earnings. This was a slight decline from the four-year average reported in 2006, which had been a high-point.

**AVERAGE ANNUAL EARNINGS FOR A WGAW WRITER MEASURED BY
THE MEDIAN VALUE OF A ROLLING FOUR-YEAR AVERAGE ANNUAL EARNINGS**

DATE SPAN MEASURED	NUMBER OF WRITERS REPORTING EARNINGS DURING THE DATE SPAN	MEDIAN AVERAGE ANNUAL EARNINGS	PERCENT CHANGE VS. PRIOR YEAR
1998-2002	6,494	\$50,940	----
1999-2003	6,478	\$53,541	+5.2%
2000-2004	6,404	\$53,353	-0.4%
2001-2005	6,317	\$58,857	+10.3%
2002-2006	6,289	\$60,405	+2.6%
2003-2007	6,289	\$60,009	-0.7%

Source: WGAW Records

RESIDUALS

Residuals for WGA-covered writers totaled \$273.2 million in 2007, 3.1% higher than in 2006. This small increase reflects the use of reality programs in prime time rather than repeats of some dramas, the use of original dramas in basic cable rather broadcast networks, and the lull in the home video market due to the high definition DVD format war. A small boost in residuals due to a strike-influenced increase in the

number of repeats in late 2007 and early 2008 will be seen in the 2008 results.

For television programs, the year was static overall, with the \$130.5 million collected amounting to 0.5% less than in 2006. Prime time residuals declined 1.9%, a minor decrease considering the prevalence of reality television programs. As in the recent past, residuals were strongest for traditional episodic series rather than those with serialized elements. The softest area of reuse for television programs was domestic syndication, which fell 11.1%. In contrast, foreign free television residuals rose 7.5%, to \$23.0 million. Reuse of made-for-basic-cable programs on basic cable increased 32.5% to \$10.6 million. Pay television residuals for programs made for pay television increased 16.7% to \$2.8 million.

Residuals for feature films were stronger, growing 7.5% to \$130.7 million. Home video was the weakest area, declining 1.4% to \$42.2 million. The strongest area was pay television, increasing 13.4% to \$43.9 million. Television reuse increased a healthy 11.5% to \$42.5 million.

WGA RESIDUALS COLLECTED IN MILLIONS OF DOLLARS EACH YEAR

	2006	2007	PERCENT CHANGE
TELEVISION PROGRAMS			
Network/Weblet Prime Time Reuse	\$26.7	\$26.2	-1.9%
Domestic Syndication	\$24.3	\$21.6	-11.1%
Foreign Free Television	\$21.4	\$23.0	+7.5%
Basic Cable Reuse of Non-Basic Programs	\$25.1	\$26.9	+7.2%
Made-For-Basic Reuse on Basic	\$8.0	\$10.6	+32.5%
Made-For-Pay TV Reuse on Pay TV	\$2.4	\$2.8	+16.7%
Home Video	\$7.9	\$8.0	+1.3%
Pay Television	\$1.9	\$1.8	-5.2%
Misc. Television Program Residuals	\$13.3	\$9.4	-29.3%
Total Television Program Residuals	\$131.0	\$130.3	-0.5%
THEATRICAL FILM RESIDUALS			
Worldwide Television	\$38.1	\$42.5	+11.5%
Home Video	\$42.8	\$42.2	-1.4%
Pay TV	\$38.7	\$43.9	+13.4%
DVD Script Fee	\$1.3	\$1.2	-7.7%
Misc. Feature Residuals	\$0.7	\$0.9	+28.6%
Total Theatrical Film Residuals	\$121.6	\$130.7	+7.5%
Creator Royalties	\$8.3	\$7.7	-7.2%
Misc. Payments/Settlements	\$4.0	\$4.5	+12.5%
TOTAL RESIDUALS	\$264.9	\$273.2	+3.1%

Source: WGAW Records