



2022

WOMEN ENTREPRENEURS IN THE SCREEN INDUSTRIES: OBSTACLES AND OPPORTUNITIES

WIF and Pepperdine University Report
Research by Professor Alicia Jessop

ABOUT THE STUDY

Data was first obtained from 114 quantitative surveys completed by production company owners or principals. The average age of survey respondents was 43.8 years old and their average years of screen industry experience was 19.8 years. 83.7% of survey respondents were Caucasian, 6.4% were Asian, 2.7% were Black, 2.7% were Mixed Race and 4.5% listed their race as "other."

Thereafter, 35 in-depth qualitative interviews were conducted with production company owners or principals. The average age of the production company owners or principals interviewed was 46.7 years old. 51.4% were female and 48.6% were male. 77.1% were Caucasian, 8.6% were Black, 8.6% were Asian and 5.7% were Hispanic.

Finally, in-depth interviews with 31 Decision-Makers with the power to finance, invest in or offer a deal to an entrepreneur in the screen industry were conducted. The average age of the Decision-Makers interviewed was 51.5 years old. 48.3% of the Decision-Maker interviewees were female and 51.6% were male. 80.6% of the Decision-Maker interviewees were Caucasian, 6.5% were Asian, 6.5% were Black and 6.5% were Hispanic.

In commissioning this study, WIF sought to capture the rate of female entrepreneurship and funding to women-owned businesses across the expanse of the screen industry, such as production companies, prop houses, special effects companies and more. Early research showed that few women-owned businesses exist in each of these segments. Given this, the only segment wherein a valid research sample could be sourced was production companies. Thus, the present study examines the rate of ownership and funding to women-owned production companies. While the numbers of women-owned businesses in the screen industry are paltry, the lack of representation is most striking amongst women of color and LGBTQ women. It is WIF's hope that this study's results will spur future research into why women continue to be underrepresented in screen industry entrepreneurship and how the industry can evolve to promote women's interests in business across all aspects of the industry. To truly advance the interests of women in the screen industry, women must be empowered not only as creators, but as developers of enterprises.

This study began in late-2019 and faced unforeseen data collection delays due to the COVID-19 pandemic. As discussed hereafter in the report, it is possible that some divergence exists between the percentages of funding to and number of women versus male-owned screen industry businesses as reported in the study and as actually exists as of the date of publication of this study.

EXECUTIVE SUMMARY

OBSTACLES AND OPPORTUNITIES FOR WOMEN ENTREPRENEURS IN THE SCREEN INDUSTRIES

Women In Film Los Angeles
Alicia Jessop, Esq.*

Over the past decade a variety of research studies, including those jointly funded by WIF and Sundance Institute, have called attention to the underrepresentation of women creatives and executives across the screen industries. These studies have illuminated a critical path to equity, but the path illuminated does not depict the full story. Hollywood is a creative industry driven by financial capital; to achieve gender equity both the creative and economic sides of the equation must be addressed.

A 2018 conversation between WIF Board members revealed startling similarities faced by women business owners. Despite their vast successes, lengthy industry track records, experience developing and executing business plans and premier educational backgrounds, each could not secure outside funding for her screen industry entrepreneurial endeavor. The Board members set out to better understand this issue by commissioning a study. **This study is the first of its kind, revealing:**

- 1.** The stark reality that a minority of screen industry businesses are owned by women;
- 2.** The barriers that have led to these low numbers; and
- 3.** The needed strategies to promote entrepreneurship and drive more funding to women-owned screen industry companies

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Only 18.6% of studio subsidized film deals and 35.7% of studio subsidized television deals were with women-owned companies in 2018. Only 18% of production companies with non-studio funding were women-owned.

The study relies on data from two groups of people: one, those who have raised money for their screen industry businesses, referred to as “Entrepreneurs” or production company owners, and two, those who fund screen industry businesses, referred to as “Decision-Makers.” Data was obtained from 114 quantitative surveys and 66 in-depth qualitative interviews of a sample including men and women, ranging in age from 25 to 74 years old, from a variety of races and whose companies are based in the United States. Detailed demographics appear on pages 1 and 11.

An analysis of the gender breakdown of U.S. based production companies found that women-owned production companies are in the minority when it comes to receiving studio subsidized deals and/or independent financing from private investors, banks and venture capital firms. Women-owned production companies received 18.6% of studio subsidized film deals and 35.7% of studio subsidized television deals, as of 2018. Only 18.0% of independent production companies financed by non-studio funding from private investors, banks, venture capital firms or personal funds, are women-owned.

The dismal awarding of funding to women-owned production companies showcases a major hurdle women face in pursuing screen industry entrepreneurship. This hurdle is exacerbated by promotion practices in the industry that typically hold women out of top decision-making roles at studios. One of the most glaring causes of the disparity is that

women are not offered the same opportunities to start their own businesses as men after their tenure in studio or network jobs. Men reported receiving studio deals or independent financing to start businesses after their studio or network tenures, whereas women did not report the same. Industry hiring, promotion and salary practices, coupled with dismal funding opportunities for women-owned screen industry businesses, create a dynamic where men typically pursue screen industry entrepreneurship because they want to, while women pursue screen industry entrepreneurship because they have to. 50% of the men interviewed pursued screen industry entrepreneurship primarily for the perceived business opportunity, compared to 11.1% of women interviewed. In contrast, 38.9% of women interviewed pursued screen industry entrepreneurship primarily out of career necessity after losing a job, not obtaining a position they were qualified for or not being compensated adequately.

The 11.8% of men interviewed who pursued screen industry entrepreneurship primarily out of necessity did so when, mid-career and working in C-level executive roles at studios, they were not given the opportunity to fully pursue their creative interests. Unlike the majority of women interviewed for this study, these men were awarded significant financing to build companies. While women reported recognizing and being motivated by the business opportunities entrepreneurship presents, the data above points to a critical finding of this research: women's pursuit of screen industry entrepreneurship is thwarted because they do not receive the same funding—whether from studios or independent investors—that men obtain.

The current situation leads to a troubling and vicious cycle, in which women who pursue screen industry entrepreneurship encounter more significant barriers than their male counterparts and receive less support. Not only do women not have as strong of networks as men to back them if they fail, there are few financiers or studio-based funders willing to float their independent or studio-based companies after their for-hire roles end. This stands in stark contrast to men, who largely because of the benefits of their personal and professional networks, consistently shift from jobs-for-hire to owning their own ventures backed by capital.

BARRIERS

Barriers to screen industry entrepreneurship faced by women include:

- 1.** A lack of access to network relationships with individuals capable of offering or providing funding;
- 2.** Unconscious, systemic and organizational biases that have resulted in fewer women being promoted professionally, contributing to significantly more screen industry men receiving studio deals following their tenures; a dynamic where men typically pursue screen industry entrepreneurship because they want to and women pursue it because they professionally have to; and a general assumption that women possess “less professional success and/or experience,” which is often a main prerequisite for investors looking to fund entrepreneurs;
- 3.** A lack of self-confidence by women in their own abilities to structure financing, compete for funding and ask for the capital they need; and
- 4.** Gender-based biases, including parenting obligations, that are disproportionately managed by women.

THE PATH FORWARD

**Fund
Women-
Owned
Companies**

**Expand
Women's
Networks**

**Increase
Financial
Literacy**

**End
Systemic
Bias**

**INCREASED FUNDING
FOR WOMEN SCREEN INDUSTRY
ENTREPRENEURS**

To break down the existing barriers and provide equal opportunity for women entrepreneurs, the following solutions are recommended:

1. FUND WOMEN-OWNED COMPANIES.

All funders—from banks and private equity firms to studios and networks—must prioritize funding women-owned companies. Funders should set targets, including for overhead and overall deals. To ensure equity and **transparency**, funders should report annually on the number of women-owned versus men-owned companies funded, and the amount of funding distributed. A database tracking and reporting on funding to women-owned versus men-owned businesses in the screen industry should be developed to expand transparency and ensure the existence of a complete and accurate measurement of the rate and scale of funding to both genders. A fund targeted at financing women-owned businesses in the screen industry should be created to more rapidly address systemic funding barriers.

2. EXPAND NETWORKS.

Increase women's networks through robust mentoring and sponsorship programs that include access to decision-makers. Train women on the role of agents, managers and entertainment lawyers in financing and how to professionally optimize their relationships with representation.

3. INCREASE FINANCIAL LITERACY.

Provide educational programming on how to structure and ask for capital. Create networking roadmaps and opportunities to connect with potential financiers. Create leadership training for early career women to develop confidence to pursue entrepreneurial opportunities and eradicate women's higher level of risk aversion than men in entrepreneurship.

4. END SYSTEMIC BIAS.

Disrupt the cycle of systemic bias that determines track record by promoting women to positions where they have full decision-making power and report to the company's board of directors. Analyze and adjust pay and promotion structures and parental leave and childcare policies to address biases. Identify methods to support women's pursuit of screen industry entrepreneurship primarily for business opportunity, rather than out of career necessity.