

# SCRIPTWRITING CREATORS' EARNINGS IN FICTION FILMS IN FRANCE (2010-2011)

*Report for la Guilde française des scénaristes (the French Scriptwriters' Guild)*

**LA GUILDE**  
française des scénaristes

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## SCRIPTWRITING CREATORS' EARNINGS IN FICTION FILMS IN FRANCE (2010-2011)

### 1 – INTRODUCTION

In 2010, there were 203 films made on French initiative validated by the CNC, and 207 in 2011, that is a total of 410 films. Amongst these 410 films, we were only able to study 241. Therefore 169 films were not covered by our study. Why ?

In the first place because our study does not take into account documentaries. We then excluded films for which we did not have all the information available. Finally, some films had not yet been released at the moment when we were writing our study.

The first question which comes naturally to mind is to know whether our work is representative. The answer is yes ! We have a sample of more than 50% of the films available, which is quite enough, as there is no reason why the films we have not studied should constitute a group with atypical characteristics. There is no selection bias, thus the sample is representative.

This implies that all the gross figures which we will give can be doubled, without risk, to have a correct enough overview of the French film industry over the period 2010 and 2011.

Our work is based on the *scriptwriting creators*. We are only interested in creators who write, that is, scriptwriters of course, but also *scriptwriting directors*.

We are therefore dealing with earnings concerning what is written, by the scriptwriter and / or by the *scriptwriting director*, and only this part.

Let us make the distinction between two phases in film-making.

The first phase is that of **development**, during which the creators receive **the GM (guaranteed minimum)** for scriptwriting, to which various « extras » can be added which come into play before the film amortisation. The GM is negotiated between the creator, *writing director* and / or the scriptwriter, and the producer. This amount is paid in several instalments between the beginning of the writing process and the first day of shooting. The GM is an « advance payment » based on future copyrights.

Amongst the different « extras », can be found firstly the budget-based indexation. This is an amount paid in addition to the GM, which aims at compensating the GM that the creator would have negotiated on the basis of a planned budget lower than that effectively agreed by production.

Various **bonuses** exist then which are paid during commercial distribution in cinemas and which increase the creators' earnings when the film has a high number of box-office takings. These are amounts agreed within the contract between the creators and the producer, which increase by stages in accordance with box-office takings. They too can be negotiated if the creator is writing the film on his or her own from beginning to end.

Let us now take a look at creators' earnings **after the amortisation**:

The **Producer's Share of Net Earnings (RNPP in French)** are the total takings made and received by the producer from the commercial distribution of the film or from all or part of its elements throughout the world, after deduction of certain expenses incurred by the afore-mentioned commercial distribution. The creators may have negotiated, with the producer so that, after the amortisation, a percentage of the RNPP is paid to them.

Creators' earnings have two objectives: guaranteeing an immediate remuneration for the script-writing by means of an advance payment (GM and indexation) on future copyrights, then associating creators with the success of the films (bonus plus % on the RNPP).

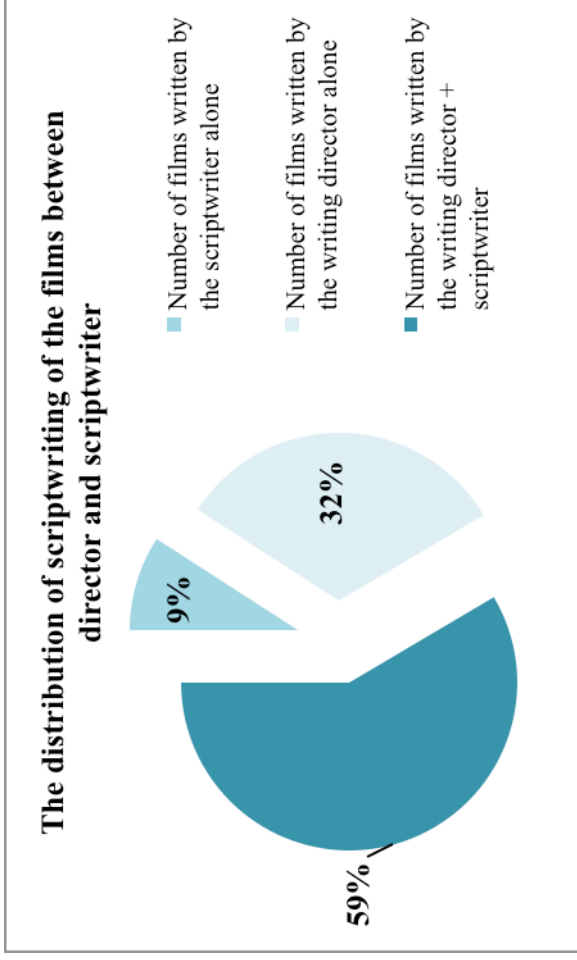
Our study aims to examine to what extent these principles are implemented through the contracts which have linked producers and creators of French films during the last two years.

241 films have given rise to 280 scriptwriting contracts, 230 director ones, and 51 creators' contracts for a literary work which had already been written have been signed. 561 creators' contracts have contributed to 241 film projects.

Over two years, the vast majority of the films, 79%, have been the fruit of original writing and 21% of adaptation of a literary work which had already been written. There have been 190 original films and 51 literary adaptations, these match the 241 films of our sample.

These 241 films have more often or not been written by a scriptwriting duo (or several) and a *writing director*. This is the case for 141 films, that is 59% of the films. 78, that is 32% have been written solely by a director whereas 22, that is 9% of them, by one or several scriptwriters without a director.

Let us note that out of the 241 films, 78 have been written by one or two directors, 67 by only one director, whereas 3 have been written by only one scriptwriter. The average film budget is € 7M<sup>1</sup> and the median budget is € 5.5M. That is to say that 50% of films are produced with less than € 5.5M.

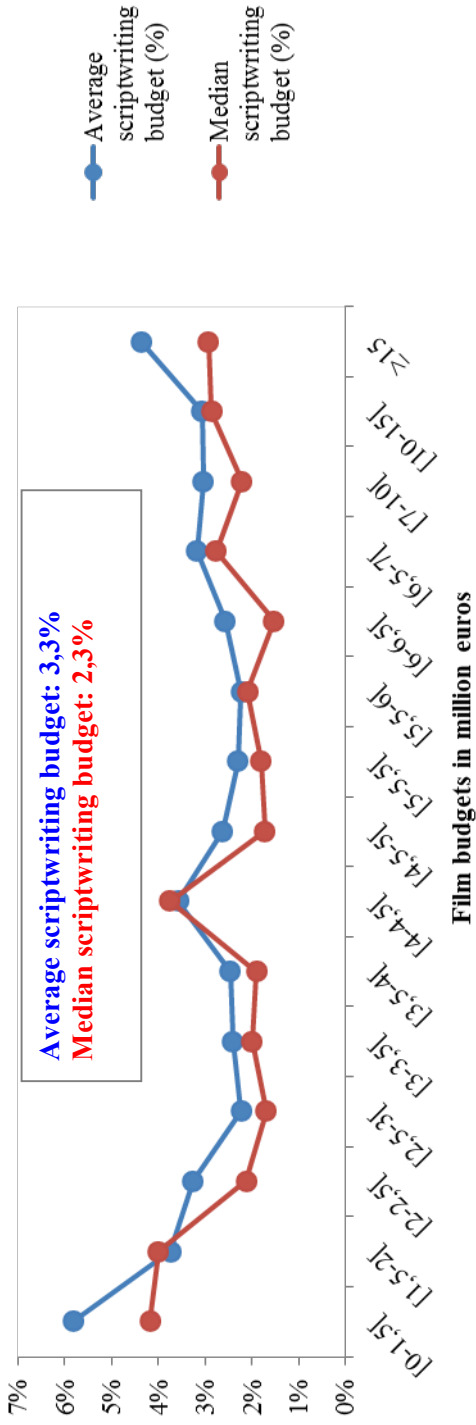


## II – EARNINGS FROM SCRIPTWRITING

The **scriptwriting budget** denotes the amount which is dedicated towards writing the film ; it comprises the guaranteed minimum for scriptwriters and directors working on the writing, adaptation rights, premiums which can or should be negotiated by creators with producers, bonuses which, they too, are negotiated or should be, and consultations.

The average total scriptwriting budget is 230,000 euros, that is 3.3% of the total film budget. Half of the films are written with a scriptwriting budget of less than 125,000 euros, or 2.3% of the total budget.

### Scriptwriting budget evolution on a percentage basis (average and median) in relation to film budgets by category



It may prove interesting to analyse more deeply and observe the average scriptwriting budget per film category. We have made use of the CNC categorisation and classified the films by the size of their budget. It appears that creators working on small films, below € 1 M, have a higher than average scriptwriting budget available : 6% as against 3.3%. The same phenomenon occurs at the other extreme, on big films of over € 15M : the scriptwriting budget is 4.4% as against 3.3% on average. It appears that small and big films pay better for scriptwriting than the average. But, be careful, it is true that small films can devote a higher percentage than average for scriptwriting, but a high percentage of a small budget generates low earnings. Yet, the scriptwriting work on a small film is as complex as that for a major one. The « percentage » effect conceals therefore the low earnings.

### 2.1 – The role of the GM

Let us now examine the different elements which make up the scriptwriting budget and consequently the scriptwriters' earnings.

The guaranteed minimum or GM constitutes a firm and definitive advance on the film distribution takings. The GM is supposed to be paid, wholly or partially, during the writing phase, in the knowledge that the film may finally never be produced or that, more generally, numerous hazards may come into play. The

GM therefore is there to compensate the risk that the creator(s) take(s) in writing a script which may never make any earnings. If the film makes it to the end, the later copyrights, if they are higher than the GM, will be added to these initial earnings then.

We have already seen it, the majority of films are written by a *writing director* and scriptwriter duo, both singular or plural. The (average) GM for this duo is 188,000 euros per film. Obviously, the *writing director* and the scriptwriter can work on writing several films at the same time, and, similarly, each project generally lasts between one and ten years. We are therefore not looking at annual earnings, but at the GM made by the writing duo on each film project produced in the end, and this is on average.

When we take a look at the *writing director* and scriptwriter duo's GM in terms of the size of the budget, we can quickly put to one side the small films below € 1 M which grant a significant GM to creators (*writing directors* and scriptwriters), as it happens 6.14% of the film budget. This situation is undoubtedly explained by the fact that these films have little chance of giving rise to copyrights at a later date. For the other categories, we note that the GM share in the budget is quite constant (between 2.5% and 3%). This means that, although the « big » films devote, by definition, more money in every area – it is moreover for this reason that they are « big » -, they do not apply this rule to scriptwriting. We certainly understand that the cost of action scenes, for example, increase the film budget without however the scriptwriting budget following suit proportionately. However, what we have difficulty understanding is that all the films from € 2.5 M to more than € 15 M devote exactly the same proportion of the budget towards scriptwriting. A sort of invisible glass ceiling blocks the scriptwriting budget increase and the GM.

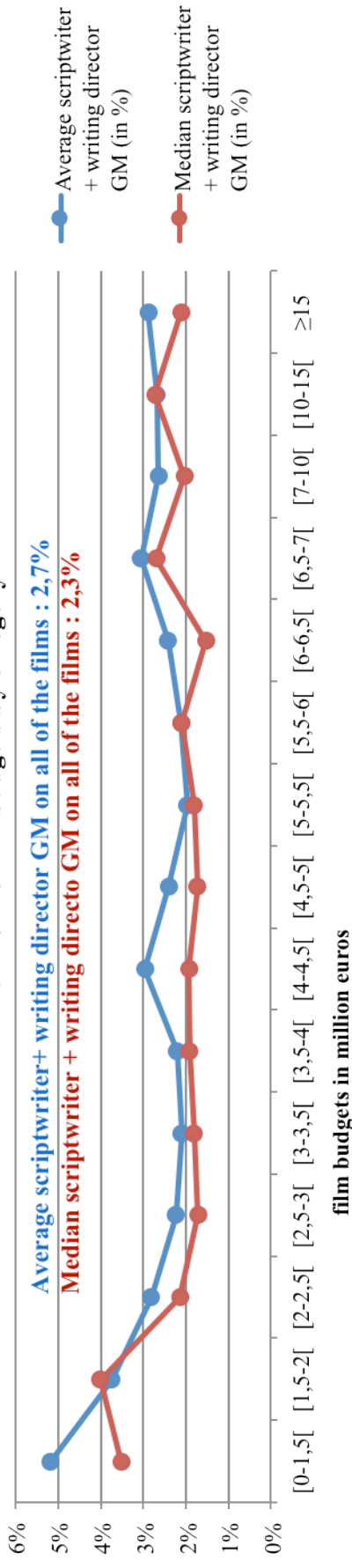
We have stated, up to now, the GM for the *writing director* duo and that of the scriptwriter. Let us detail the GM for these two writer categories. In doing so, we will not be setting the two categories against each other. It is not the scriptwriter-directors in their writing function who are depriving creator-scriptwriters of their income, but rather the total GM allocation which is too low.

When we have a duo writing a film, that is to say a director and one or several scriptwriters, the average GM per film is 188,000 euros and represents 2.7% of the film budget. 50% of films written by a director-scriptwriter duo are made with a GM below 104,000 euros.

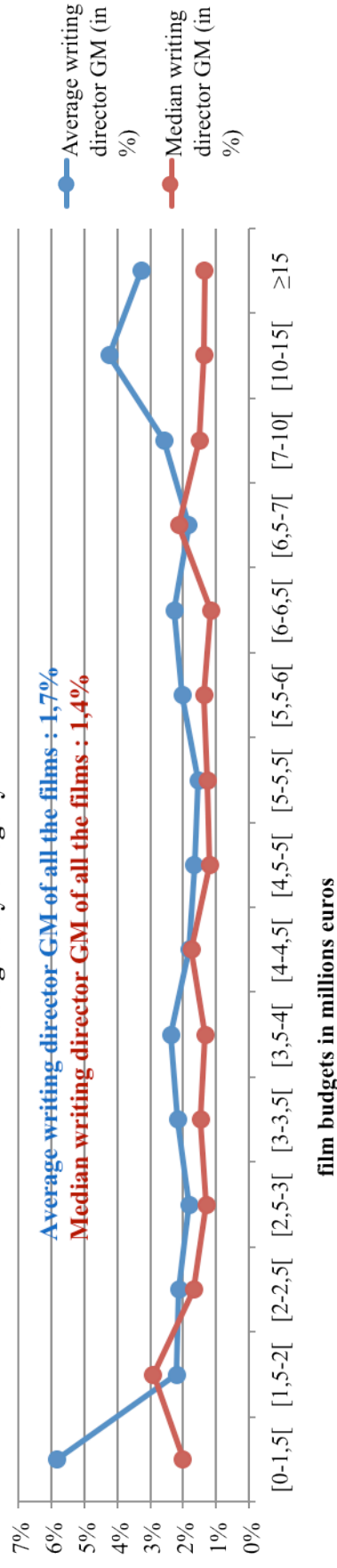
When we have a director writing with or without a scriptwriter, the average director GM per film is 131,000 euros and represents 1.7% of the film budget. 50% of films written by a director with or without a scriptwriter are made with a GM of less than 70,000 euros.

When we have one or several scriptwriters writing with or without a director, the scriptwriter GM per film represents 0.98% of the film budget, that is 100,000 euros. 50% of films written with one of several scriptwriters with or without a director are made with a GM of less than 62,000 euros.

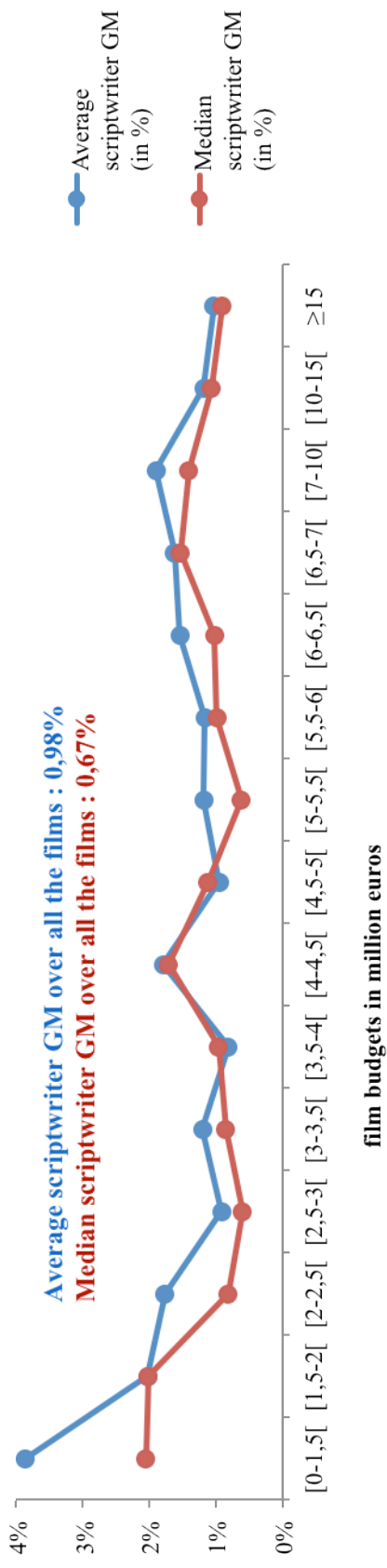
**Evolution of the writing director + scriptwriter GM on a percentage basis (average and median) in relation to film budgets by category**



**Evolution of the writing director GM on a percentage basis (average and median) in relation to film budgets by category**



## Evolution of the scriptwriter GM on a percentage basis (average and median) in relation to film budgets by category



Let us broaden the picture, in order to take into account the fact that there can be several scriptwriters (up to eight) or sometimes two *writing directors* (4% of films are written by two directors alone, without a scriptwriter) at work on each film. The GM per film can therefore be divided up between several writers. Hence, the GM should be calculated on a per capita basis for both directors and scriptwriters.

A sole scriptwriter who writes, with or without a *writing director*, makes on average, a GM of 62,000 euros per film. 50% of films are made with a scriptwriter GM of 45,000 euros.

A sole director who writes, with or without a scriptwriter, makes on average, a GM of 128,000 euros for writing a film. 50% of directors make a GM of less than 64,000 euros for writing a film.

Let us now take the two extreme cases.

When a scriptwriter writes alone or with other scriptwriters but without a *writing director*, the scriptwriter's average GM per capita is 72,000 euros. 50% of films written by one or several scriptwriters without a *writing director*, are carried out with a scriptwriter's GM per capita of less than 46,000 euros.

It could be thought that the fact that a scriptwriter takes sole responsibility for writing the film, that is without writing with the director, should substantially increase his or her earnings. It is not the case, the median GM per capita remains the same.



Conversely, if the director is writing alone, without a scriptwriter, then he or she makes 138,000 euros as a writing director, that is twice as much as what a scriptwriter makes, in the same situation, to carry out the same task<sup>2</sup>.

## 2.2 – The other components of creators' earnings

The GM only represents a fraction of creators' earnings. Creators get the remainder of their copyrights which are spread out throughout the commercial distribution period. But upon signing their contract, they can negotiate extra elements to the GM, elements which make up remuneration ones which they will receive before the film amortisation.

### a – Budget indexation

Let us examine, in the first place, budget indexation. The mechanism is well known : the creator agrees, upon signing his or her contract, with the producer in order to get a payment in addition to the GM, if the film budget turns out to be higher than foreseen. Indeed, the GM is fixed according to a supposed total budget. If the film budget increases, it is logical that the creator(s) will see his / her / their advance payment on his / her / their copyrights increase, since it is normal to count on the fact that the box-office takings will be high.

It is not known how many scriptwriters or directors ask producers for budget indexation, only the number of those who obtain it is known.

Among the scriptwriters who write, alone or in a duo, with a director, only 3.5% of them benefit from budget indexation, that is 10 people out of 280 scriptwriters.

On the side of the directors, 5% obtain budget indexation, that is 11 people out of 230 directors.

Out of 51 literary creators, 5 obtain budget indexation, that is 10%.

### b – Bonuses

Creators, *writing directors* or scriptwriters, can include a bonus or several within their contract with the producer. This bonus is an amount which must be paid to them if the film goes over a certain number of box-office takings. This practice is aimed at making the creator take an interest in the success of the work, and this being so, before the « flood » of rights come into play. This bonus is also an element which can be used to counterbalance a decrease in the GM. A creator can accept quite a low GM, but ask for a bonus in compensation. This bonus is not linked to the film amortisation, but to the number of box-office takings, it is thus mechanically set off by these takings.

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<sup>2</sup> There is no use in examining this by CNC segments as there are too few examples, it can be said that they concern mostly expensive films.

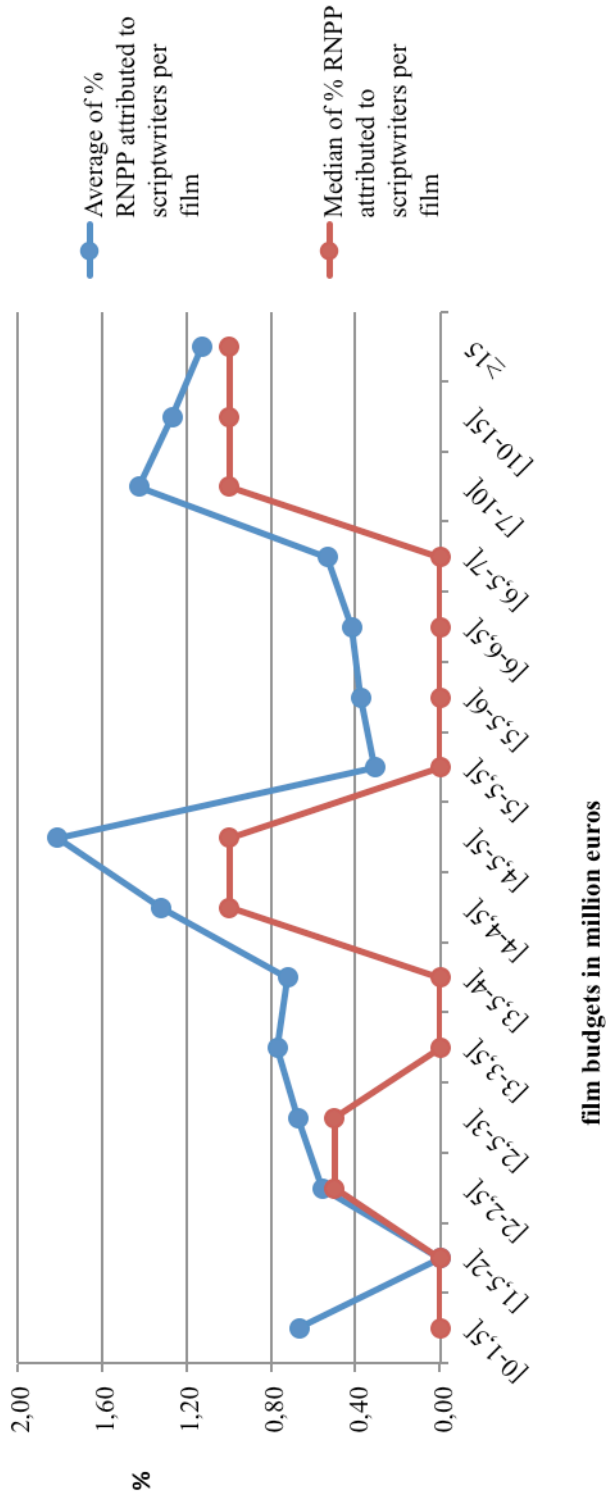
Among the 280 scriptwriters, there are 59 who negotiate a bonus, that is 24%. Among the 51 literary creators, 10 obtain one, that is 20%. Among the directors, 33 out of 230 obtain one, that is 14.5%.

If we come back one moment to the indexation schemes and bonuses, we can see that these remuneration methods are concentrated on films for which the budget exceeds € 7 M.

### c - The Producer's Share of Net Earnings (RNPP) before amortisation

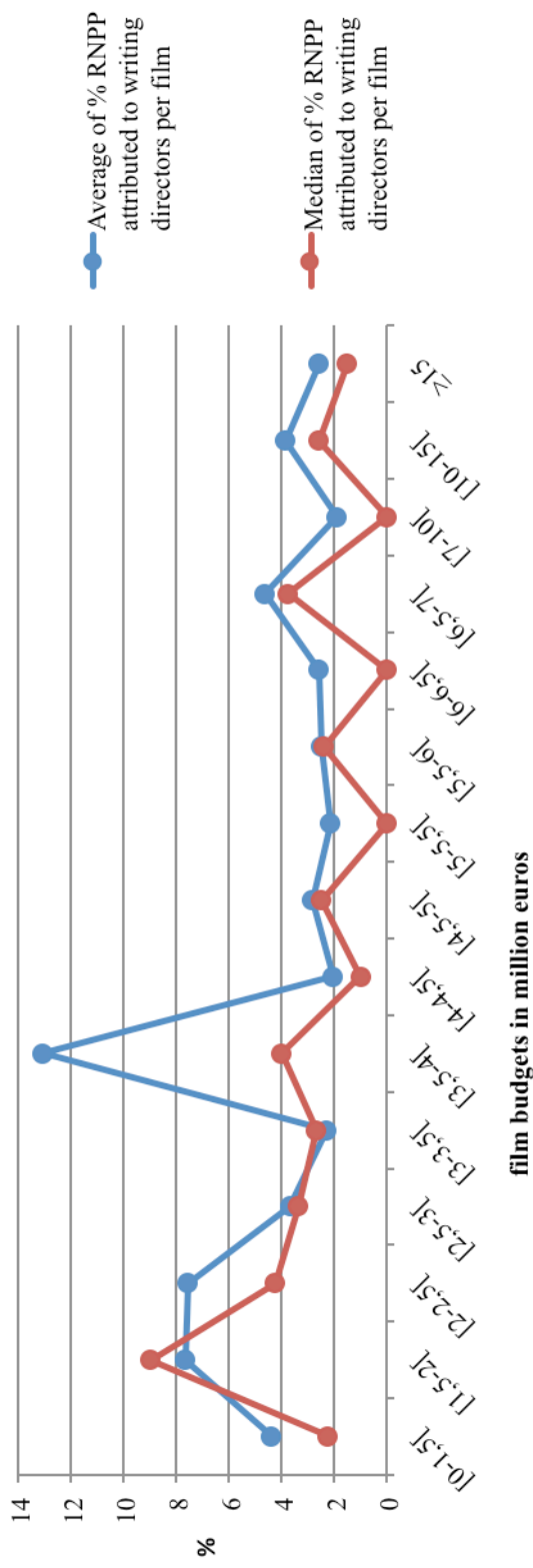
Out of the 280 scriptwriters, 185 have negotiated a percentage of the RNPP after amortisation. That is 66%. The average of these percentages attributed to scriptwriters in general (up to eight of them) is 0.76% of the RNPP.

**Evolution of % of the Producer's Share Net of Earning (RNPP) (average and median) attributed to scriptwriters per film, by category**



The number of directors having negotiated a percentage on the RNPP after amortisation is 162 out of 230. That is 70%. The average number of directors make 3.48% and the median is 2.5%.

**Evolution of the % of the Producer's Share of Net Earnings (RNPP) (average and median) attributed to writing directors, per film, by category**



### III – CONCLUSION

Total budgetary expenditure for making films is 1.7 billion euros and they make, in the box-offices, € 952 M, that is 56%. Only 25 films out of 241 cover their budget through box-office takings, that is 10%.

Scriptwriters play a key role. The screenplay is one of the pillars of the financial package: it is thanks to the screenplay that financing can start up and the envisaged actors decide whether to take part or not. Scriptwriters therefore play a crucial role in the economy of a film. And yet, they are badly paid for this task. Why? The answer provided by our study is simple: scriptwriters and *writing directors* are there right from the earliest moments of the conception of the future film. They take responsibility for a portion of the risks, as they work without the certainty that the film will actually be screened. They cannot obviously be paid copyrights on films that are not made. However, they have spent hours working on it. During this crucial phase, they accept (or submit to) the fact that they are paid little. It would therefore be logical, having consented to take the risks, at the beginning of the project, that they be broadly associated, at the end of the latter, with its eventual success.

Scriptwriters are creators who are paid according to success. This situation is the very essence of their work. It only makes sense if it works both ways. Advancing part of the cost of one's work so that the project can move forward, getting back one's stakes, if the project is successful. This is not the case, since scriptwriters' earnings, on a pro-rata basis with the success, are very low. The amount of risk-taking is not compensated by the association with results.

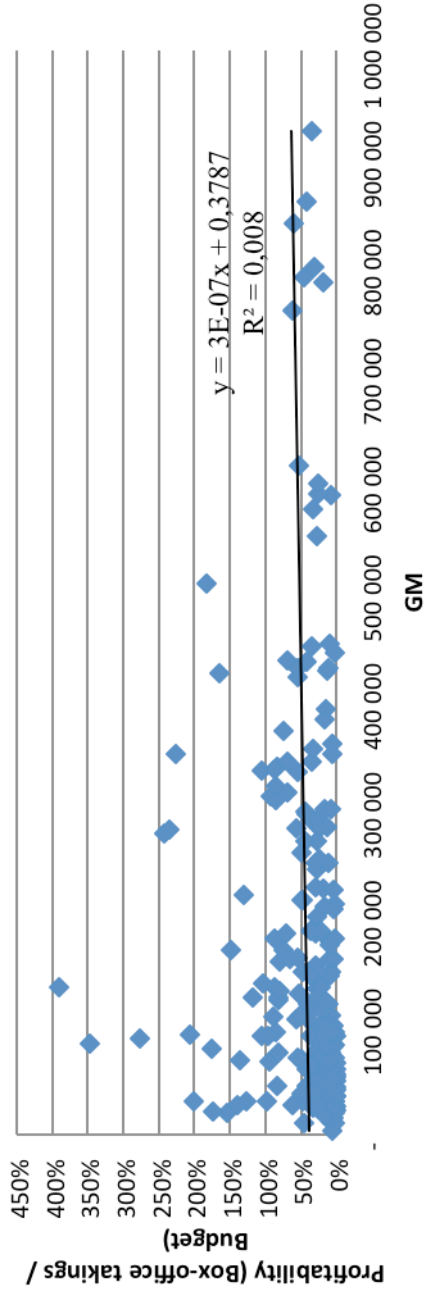
This is a pity, as the graph below shows that investing in scriptwriting contributes positively towards the profitability of films.

The abscissa of the graph shows the amount of GMs, the ordinate, provides the profitability of the film for cinema distribution. The trend curve shows a correlation between, on one side, the increase in GM expenditure and, on the other, profitability<sup>3</sup>. As an example, we also give the graph with the four omitted films.

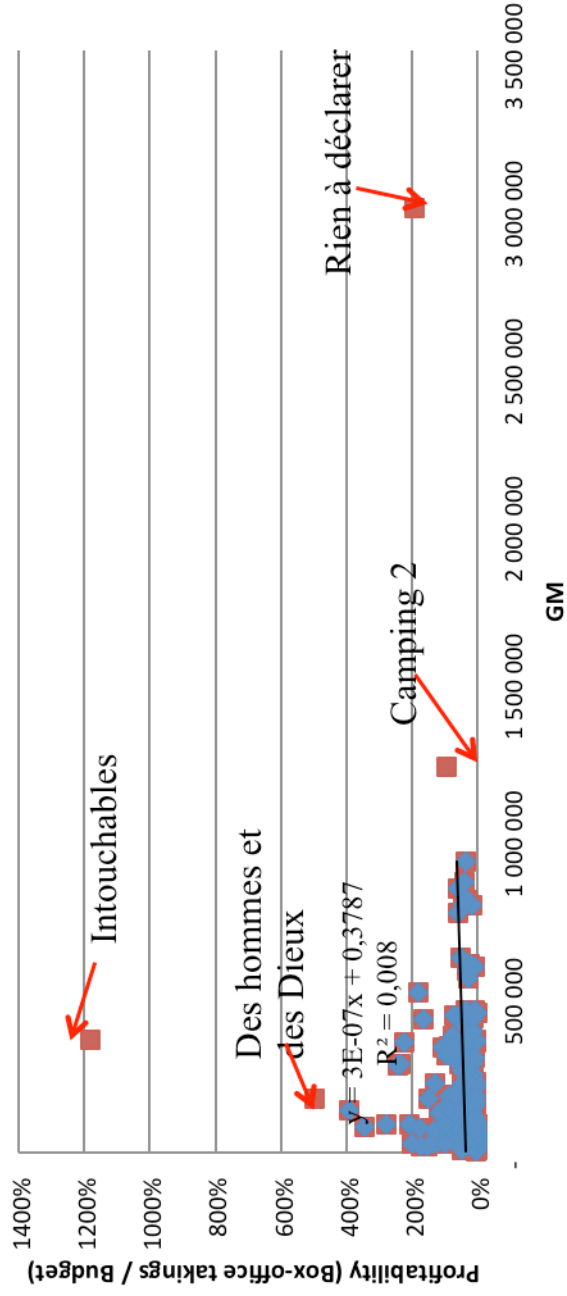
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<sup>3</sup> To draw up this graph we have eliminated four films: « Rien à déclarer », « Camping 2 », « Intouchables », « Des hommes et des dieux ». These four films were atypical. The first two were put into production with exceptionally high scriptwriting expenses. The other two experienced exceptional profitability.

## GM and Profitability (Box-office takings/Budget) per film



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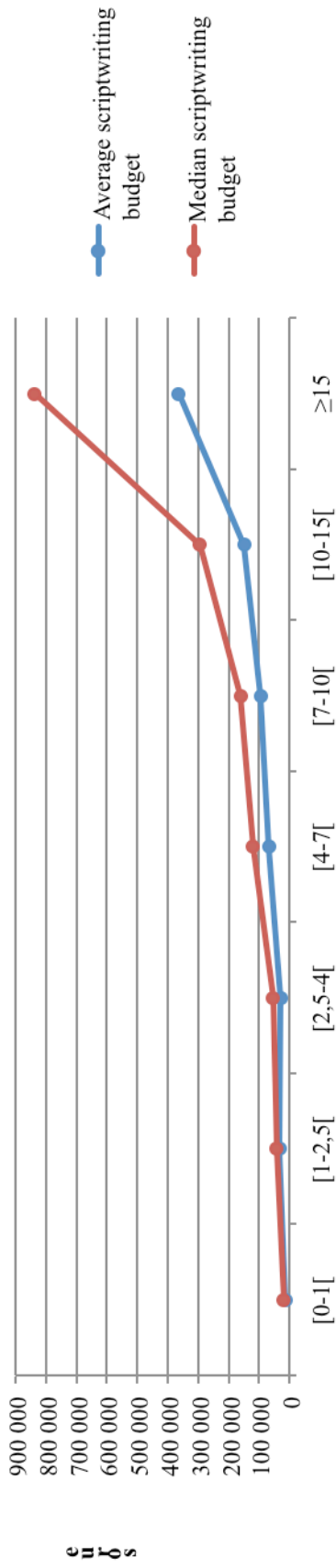
## SOME FIGURES

Film budgets (in million euros) by CNC segments	Total	[0-1[	[1-2,5[	[2,5-4[	[4-7[	[7-10[	[10-15[	>15
Number of films	241	10	23	48	65	39	36	20
% per category	100%	4,15%	9,54%	19,92%	26,97%	16,18%	14,94%	8,30%
Average film budget (thousand euros)	7.033	500	1.326	2.968	5.246	8.012	11.472	22.525
Average scriptwriting budget (euros)	233.883	30.701	59.093	70.634	145.711	243.865	351.496	983.676
Average scriptwriting budget in % of average budget (%)	3,30%	6,14%	4,46%	2,38%	2,78%	3,04%	3,06%	4,37%
Median scriptwriting budget (euros)	5.500.000	26.000	48.000	58.500	125.000	177.000	315.250	616.125
Median scriptwriting budget in % of median budget (%)	2,27%	5,20%	4,80%	1,95%	2,27%	2,21%	2,87%	2,93%
Average GM ( $\Sigma D + \Sigma S$ ) per film (euros)	188.854	30.701	51.319	63.863	132.134	211.454	306.918	646.600
Median GM (D+S) per film (euros)	104.600	26.000	45.000	54.000	117.000	162.000	298.500	443.125
GM (D+S) in % of film budget (euros)	2,68%	6,14%	3,87%	2,15%	2,52%	2,64%	2,68%	2,87%
Average director's GM ( $\Sigma D$ ) per film (euros)	131.375	22.660	28.783	48.230	95.252	118.792	205.592	485.475
Average scriptwriter's GM ( $\Sigma S$ ) per film (euros)	100.954	11.486	42.086	31.364	73.473	151.063	135.297	230.179
Median director's GM ( $\Sigma D$ ) per film (euros)	70.000	20.000	25.000	40.000	70.000	121.000	150.000	281.875
Median scriptwriter's GM ( $\Sigma S$ ) per film (euros)	62.550	13.500	35.930	23.500	54.000	112.500	121.000	190.000
Average scriptwriter's GM per capita ( $\Sigma S$ ) (euros)	62.568	11.129	23.878	20.778	52.313	81.499	82.319	152.071
Median scriptwriter's GM per capita ( $\Sigma S$ ) (euros)	45.000	13.500	20.364	15.000	46.000	56.667	71.750	143.250
Median GM ( $\Sigma S$ ) per scriptwriter writing alone (euros)	72.347							

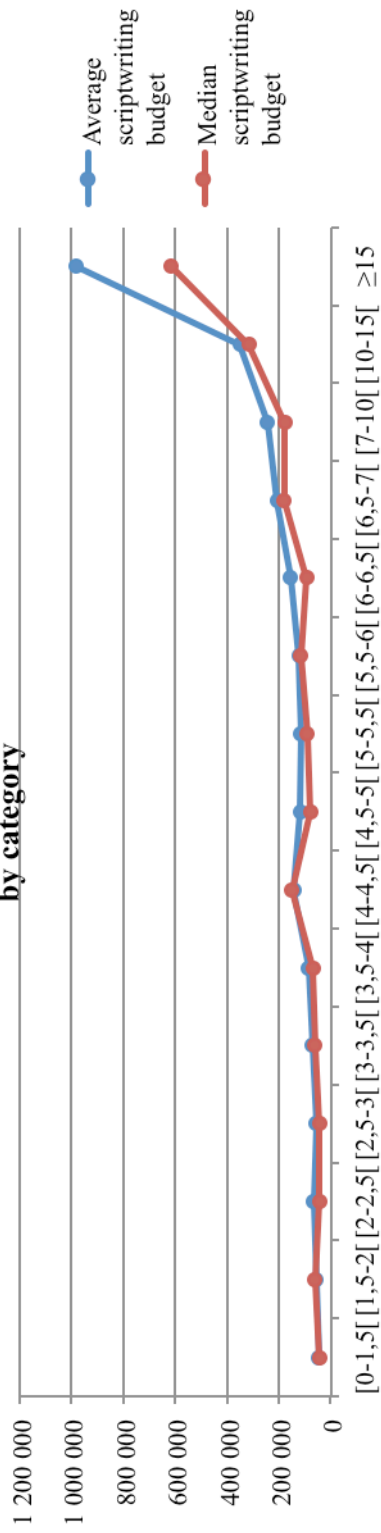
Median GM (Σ)per director writing alone (euros)	137.905										
Average director's GM per capita (ΣD) (euros)	128.676	21.660	27.419	46.032	94.638	116.792	195.151	485.475			
Median director's GM per capita (ΣD) (euros)	64.800	18.500	25.000	40.000	70.000	113.500	150.000	281.875			
Median scriptwriting budget in % of median budget (%)	3,75%	2,27%	4,18%	4,00%	2,13%	1,70%	2,00%	1,91%			
GM (D+S) in % of film budget (%)	2,95%	2,68%	5,17%	3,74%	2,80%	2,23%	2,10%	2,21%			
GM (D) in % of total film budget	1,7%	2%	2,1%	0,6%	0,8%	0,4%	0,8%	1,1%			
GM(S) in % of film budget (%)	0,98%	1,61%	1,79%	0,59%	0,93%	1,50%	0,98%	0,72%			
Number of bonuses for literary creators	10	0	1	0	1	6	1	1			
% of number of bonuses for literary creators in films	4%	0,00%	4,35%	0,00%	1,54%	15,38%	2,78%	5,00%			
Total number of bonuses for scriptwriters	59	0	1	3	16	16	14	9			
% of the number of bonuses for scriptwriters in films	24,0%	0,0%	4,3%	6,3%	24,6%	41,0%	38,9%	45,0%			
Number of bonuses for directors	33	0	3	5	9	5	7	4			
% of the number of bonuses for directors in films	14%	0%	13%	10%	14%	13%	19%	20%			
% of directors having a percentage of the RNPP	70,00%	81,82%	73,91%	74,00%	67,24%	61,29%	81,08%	55,00%			
% of scriptwriters having a % of the RNPP	66,00%	87,50%	63,64%	58,54%	65,22%	65,57%	67,24%	76,19%			
Box-office takings (thousand euros)	952.438	0	13.230	45.431	170.188	156.730	277.225	287.677			
Profitability (Box-office takings/Budget) (%)	56%	0%	43%	32%	50%	50%	67%	64%			

## SOME GRAPHS

Evolution of the scriptwriting budget (average and median) in relation to film budgets within CNC segments



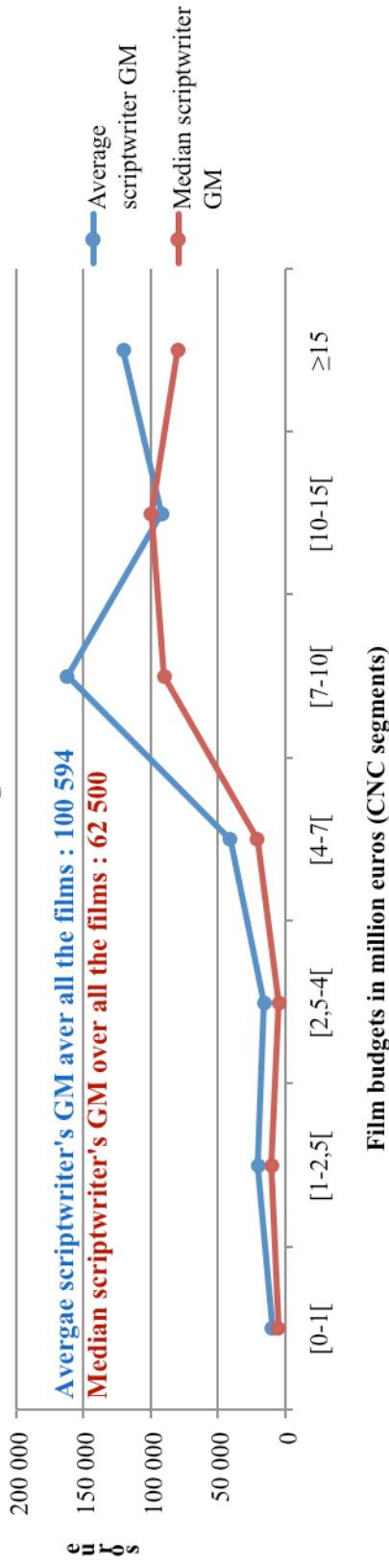
Evolution of the scriptwriting budget (average and median) in relation to film budgets by category



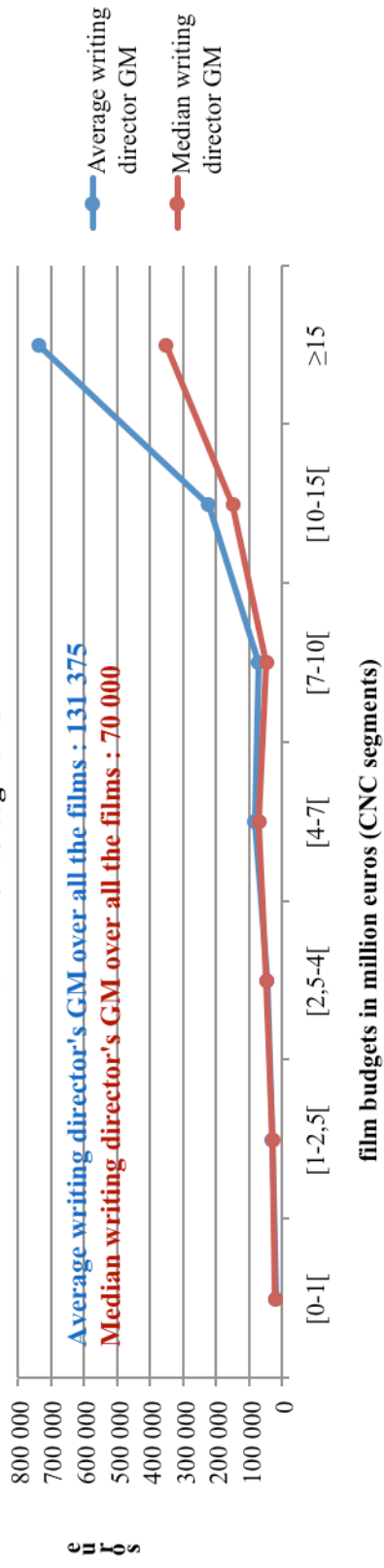
film budgets in million euros



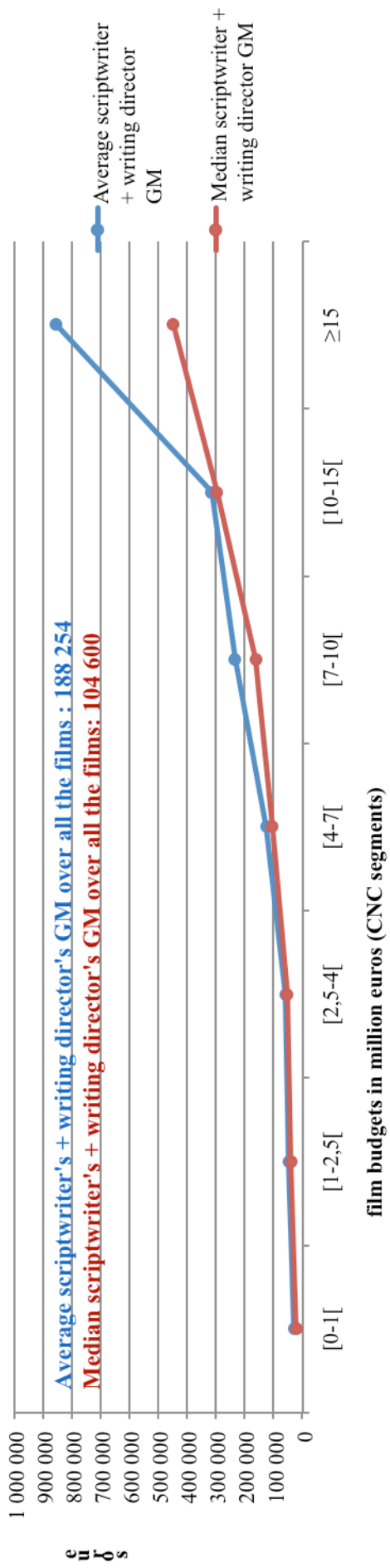
**Evolution of scriptwriter's GM (average and median), in relation to film budgets within CNC segments**



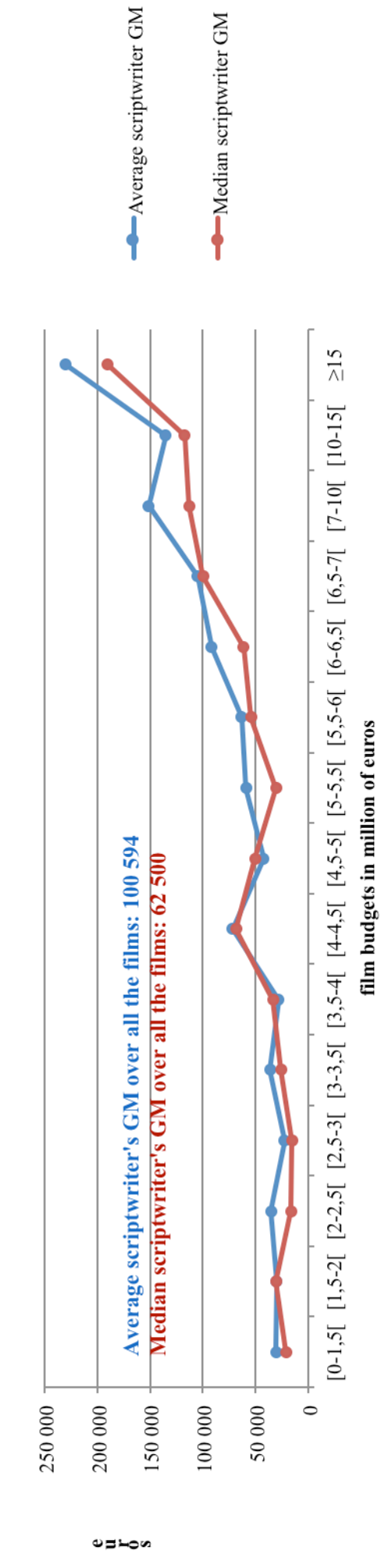
**Evolution of writing director's GM (average and median), in relation to film budgets within CNC segments**



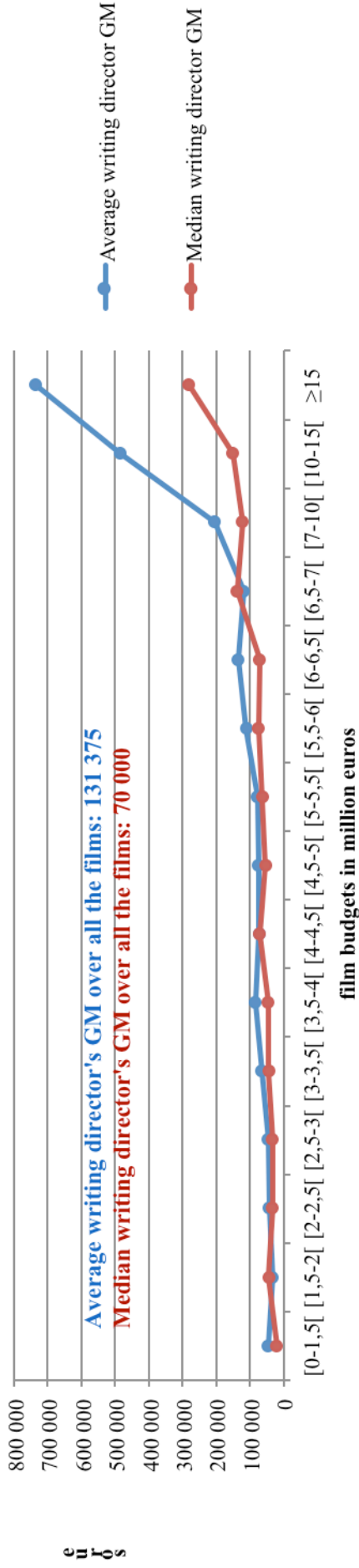
### Evolution of scriptwriter's + writing director's GM (average and median), in relation to film budgets within CNC segments



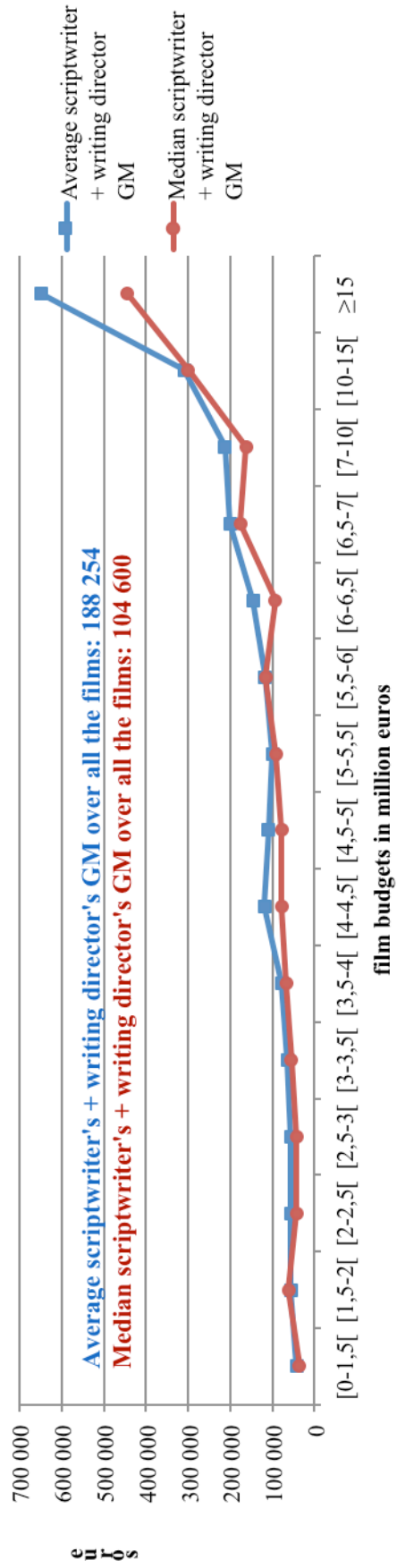
### Evolution of scriptwriter's GM (average and median), in relation to film budgets by category



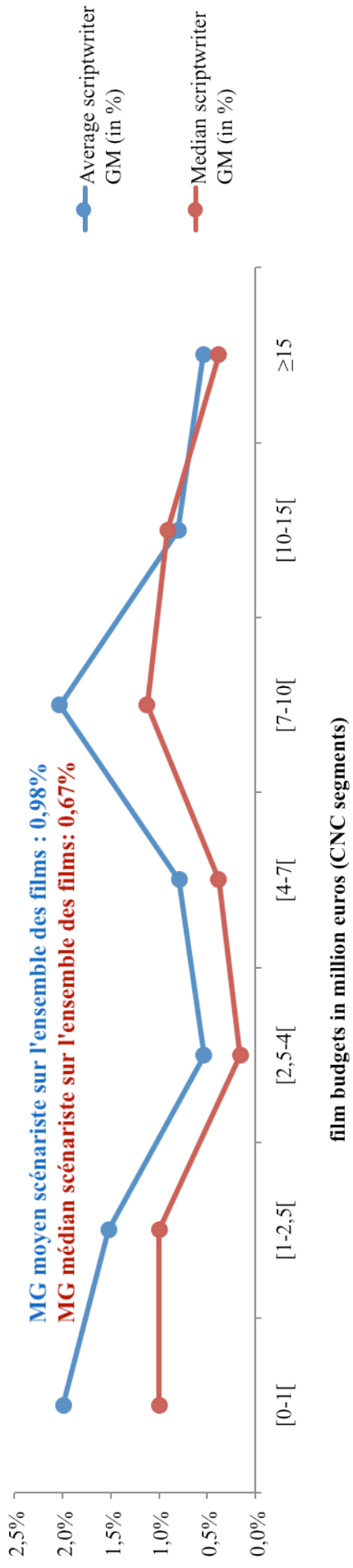
Evolution of writing director's GM (average and median), in relation to film budgets by category



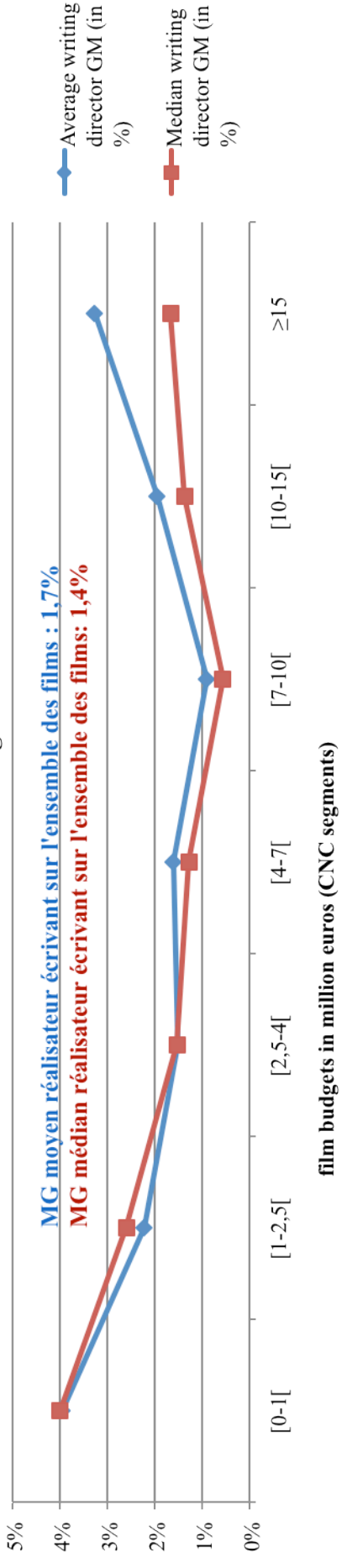
Evolution of writing director's + scriptwriter's GM (average and median), in relation to film budgets by category



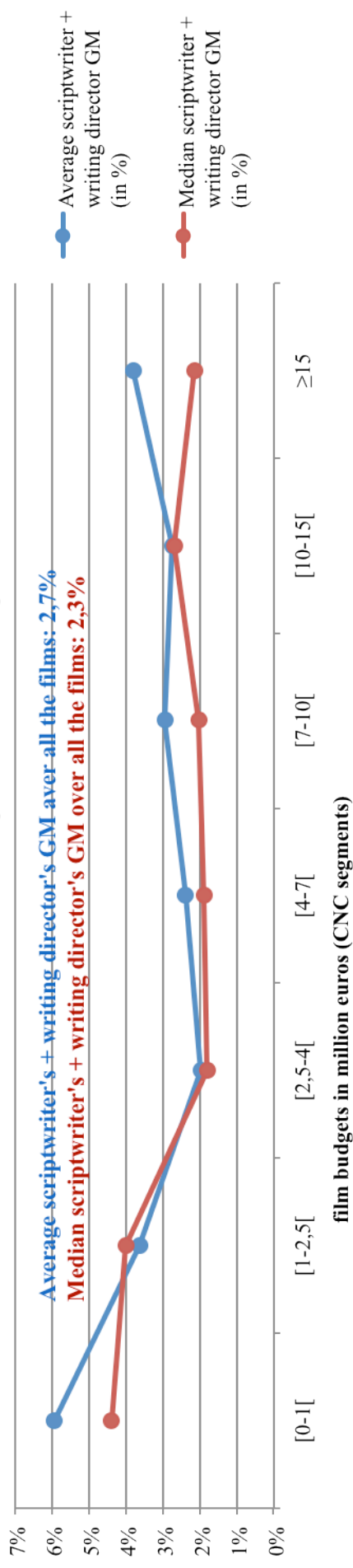
**Evolution of scriptwriter's GM on a percentage basis (average and median), in relation to film budgets within CNC segments**



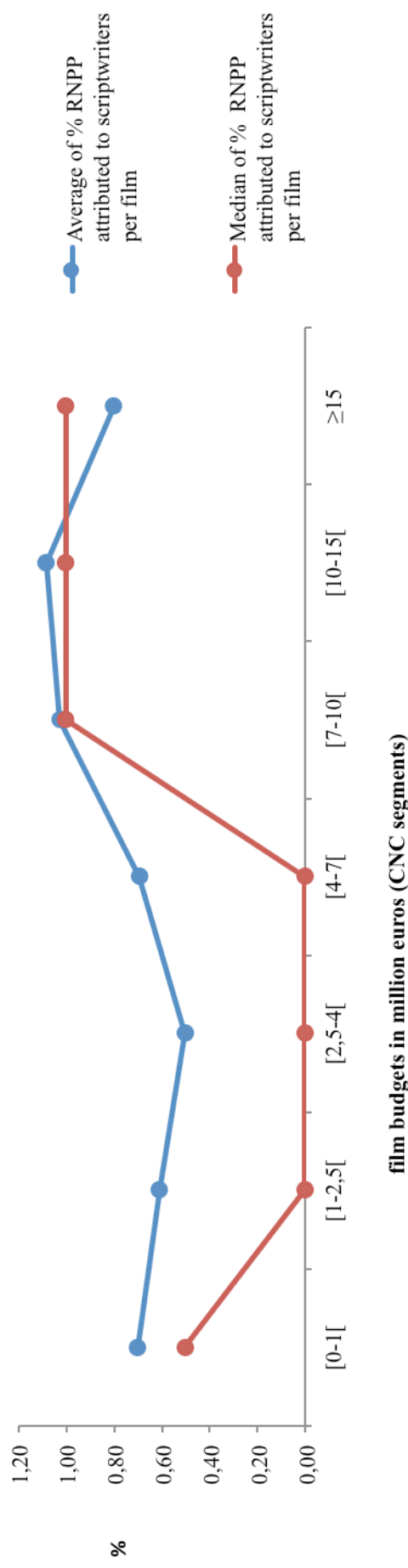
**Evolution of writing director's GM on a percentage basis (average and median), in relation to film budgets within CNC segments**



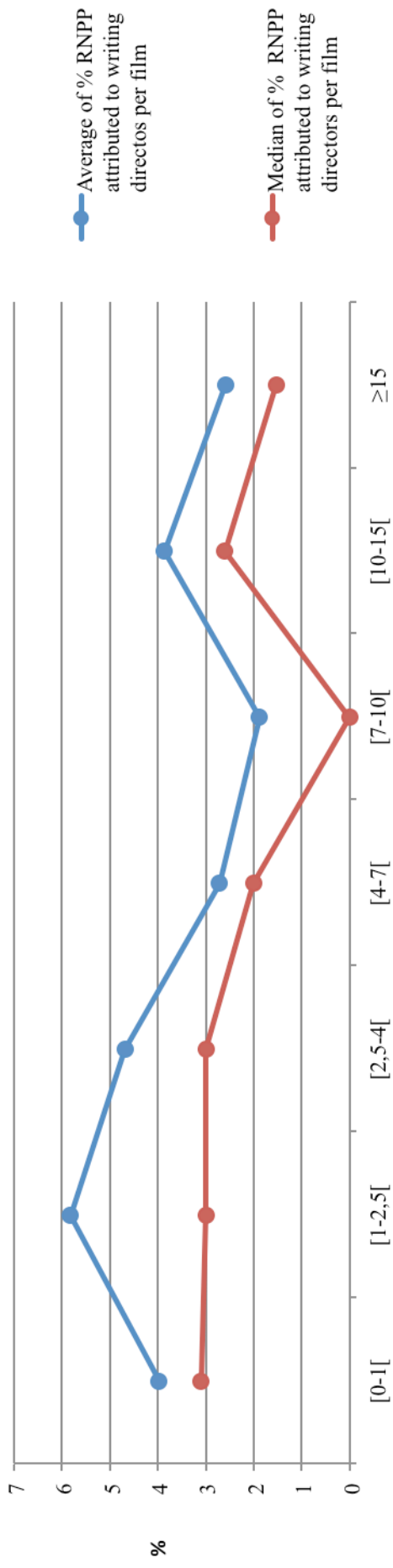
**Evolution of writing director's + scriptwriter's GM on a percentage basis (average and median), in relation to film budgets within CNC segments**



**Evolution of % of the Producer's Share of Net Earnings (RNPP) (average and median) attributed to scriptwriters per film, within CNC segments**



**Evolution of % of the Producer's Share of Net Earnings (RNPP) (average and median) attributed to writing directors per film, within CNC segments**



**film budgets in million euros (CNC segments)**