

# Nontheatrical Films — Interim Report No. 3

By THOMAS W. HOPE

This third Interim Report brings up to date (as of January 1, 1962) and amplifies selected statistics contained in the comprehensive study of the nontheatrical film and audio-visual field published in the June 1959 issue of the Journal (pp. 387-392). It supersedes in part the Interim Report published in the January 1961 issue of the Journal (pp. 68-72).

HIGHER COSTS and greater use of motion pictures and other audio-visual materials accounted for a 7% increase in dollar volume in 1961 over 1960's expenditures. The \$415 million estimated expenditure for 1961 by audio-visual users represented a \$27 million rise over the \$388 million of 1960 (Fig. 1).

Not included in the above 1961 figure is another \$60 million, indicated by several unofficial studies of the audio portion of the field and of capital investment (see section headed "Basis for Estimates," below). In addition, the \$415 million does not include the salaries of part-time audio-visual coordinators in schools, business firms, government agencies, church organizations, and associations. Wages and salaries of the estimated 50,000 full-time employees are included.

By adding to the \$415 million figure an estimate of \$60 million for audio products, and taking into account the portion of time and salaries of thousands of the part-time A-V coordinators, the statement that this industry is now a half-billion-dollar-a-year business is probably correct.

### Unit Output Level—Costs Up

Although official year-end totals for 16mm sound projector sales are not yet available, it is probable that the accelerated sales of this product during 1959 and 1960 leveled off in 1961; U.S. domestic industry-wide sales in 1961 are estimated at about the 1960 level—42,000 (see Table I). Taking into account the trade-ins and sale of second-hand projectors, the year's net gain was probably 38,000 machines. This would make the number of units now in use an estimated 765,000 (Table II).

Motion-picture productions were up a modest 2.2%—a total of 8,500 as compared with the 1960 total of 8,320 (Table III).

This report has been prepared by Thomas W. Hope, Assistant Advisor on Nontheatrical Films, Eastman Kodak Co., 343 State St., Rochester 4, N.Y.

Table III. Estimated Number of U.S. Nontheatrical Motion Picture Productions.

	1958	1959	1960	1961
Business and Industry . . . . .	4500	5400	5000	5100
Governments . . . . .	1500	1500	1500	1550
Education . . . . .	940*	1260*	1020*	1100
Religion . . . . .	200	220	190	190
Civic, Social Welfare, and Recreational . .	200	210	210	200
Medicine and Health . . . . .	300	400	300	250
Experimental . . . . .	100	110	100	110
<b>Totals . . . . .</b>	<b>7740</b>	<b>9100</b>	<b>8320</b>	<b>8500</b>

\* Revised Jan. 1, 1962

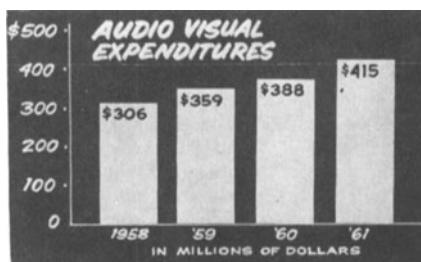


Fig. 1. Audio-visual expenditures in U.S.A. in 1961 reach \$415,000,000.

Because of greater costs in 1961, however, money invested in production amounted to \$127 million, a rise of 10.4% over 1960. (Table IV).

Investment in release prints was up 7.8%, totaling \$69 million in 1961. No figures are available on the number of 16mm prints turned out.

Film utilization improved as audiences increased. Money spent for distribution of sponsored films and for selling educational and religious pictures totaled \$100 million, which amounted to a 7.5% increase over 1960's \$93 million.

Motion picture projectors and cameras

Table I. Analysis of Estimated 1961 Sales of 16mm Sound Projectors

	Units
New Sales . . . . .	42,000
Trade-ins . . . . .	17,000
	25,000
Second-Hand Sales . . . . .	13,000
<b>Net Gain . . . . .</b>	<b>38,000</b>

Table II. Ownership of 16mm Sound Projectors in Use in U.S. (Estimated as of January 1, 1962).

Education . . . . .	234,000
Business and Industry . . . . .	185,000
Religion . . . . .	133,000
Governments . . . . .	76,000
Home . . . . .	70,000
Civic, Social Welfare, Recreational, etc. . . . .	53,000
Medicine and Health . . . . .	14,000
<b>Total . . . . .</b>	<b>765,000</b>

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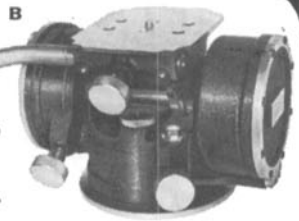
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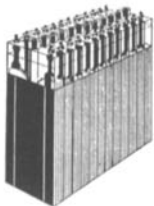
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plus production equipment accounted for \$37 million representing a modest 2.8% increase. Other audio-visual equipment and material likewise had a small increase (2.5%) to \$82 million.

### Color Shows Increase

Laboratories reported increases in color print orders. Less expensive raw stock and better systems for making color prints are credited as key factors in the swing to color. Although schools probably buy five black-and-white prints for every one in color, the percentage of color-print purchases has been increasing for the past several years at the rate of at least 1% per year. Business sponsors continued to favor color by a wide margin.

Improved high-speed color emulsions and the use of color internegative have simplified production and printing problems. New highly effective portable lights are helping producers to shoot color where heretofore often black-and-white was used. Examples of this are found in industrial films taken chiefly in factories. Travel film lecturers can get better interiors, and, in addition, no longer must project their original film, but rather can have excellent prints made, thus preserving the original.

Much 8mm sound printing is expected to be in color. The difference in cost between a color 8mm print and black-and-white is not expected to hinder the trend to color in this gauge.

### 8mm Sound

Statistical data on the sales of 8mm sound projectors to date are unavailable. Compared to today's 765,000 16mm sound projectors, the total number of 8mm sound projectors in the field is relatively small. Pioneers in the field feel, however, that after two years, the sales of 8mm sound projectors probably exceed the sales of 16mm sound projectors made in the first four or five years in the 1930's.

The number of titles available in 8mm sound today is rather surprising. It is estimated that prints of over 200 titles are now being offered in the new 8mm medium. This includes 57 entertainment subjects, about 90 educational titles and between 50 and 60 business films.

The future importance of 8mm sound to the visual communication and entertainment fields is indicated by the number of individuals and organizations engaged in work on an 8mm sound program of one kind or another including manufacturers of projectors and cameras; laboratories installing 8mm printing and striping equipment or already equipped to do 8mm service; educational film producers making single subjects as well as film series available in 8mm; and sponsors using 8mm for sales work.

Although probably more than a million dollars was spent for 8mm sound products in 1961 (hence not reported separately), it is believed that considerable sums were spent in research and development work on 8mm sound equipment and films.

### Basis for Estimates

In order to understand the data found chiefly in Tables IV and V, an explanation of the five major categories is necessary. The costs for each portion are based upon the following:

*Production* — motion pictures, filmstrips, and sound slidefilms.

*Release prints* — motion pictures, silent filmstrips, and sound filmstrips (sound slidefilms).

*Distribution* — commercial and audio-visual dealer film rentals and sales; sponsored film distribution; and school, governmental, religious, medical, social service, and public libraries.

*Motion-picture equipment* — 16mm and 8mm sound projectors, cameras, and production equipment such as lights, sound recorders, etc.

**Table IV. How the Money Is Spent: Estimated Nontheatrical Film and Audio-Visual Expenditures by Type of Product (in millions).**

	1958	1959	1960	1961	1961 vs. 1960
Production . . . . .	\$100	\$115	\$115	\$127	+10.4%
Release Prints . . . . .	49	57	64	69	+ 7.8%
Distribution . . . . .	78	85	93	100	+ 7.5%
Motion Picture Equipment . . . . .	29	32	36	37	+ 2.8%
Other Audio-Visual . . . . .	50	68	80	82	+ 2.5%
<b>Totals</b>	<b>\$306</b>	<b>\$357</b>	<b>\$388</b>	<b>\$415</b>	<b>+ 7.0%</b>

**Table V. Estimated 1961 Expenditures by Categories (in millions).**

	Produc- tion	Release Prints	Distri- bution	Mot.-pic. equipment	Other AV	Total
Business and Industry . . . . .	\$ 82	\$42	\$ 40	\$ 8	\$29	\$201
Education . . . . .	15	11	28	17	35	106
Governments . . . . .	21	10	14	4	14	63
Religion . . . . .	4	3	7	3	2	19
Civic, Social Welfare, and Recreation . . . . .	3	2	10	3	1	19
Medicine . . . . .	2	1	1	2	1	7
<b>Totals . . . . .</b>	<b>\$127</b>	<b>\$69</b>	<b>\$100</b>	<b>\$37</b>	<b>\$82</b>	<b>\$415</b>

*Other audio-visual equipment and materials* — sound slidefilm, filmstrip, 2 by 2-in. slide, 3½ by 4-in. slide, overhead transparency, and opaque projectors; projection screens; projection stands; materials for making slides and overhead transparencies; and other materials such as lettering devices, coloring pencils and pens, still cameras, etc.

Audio equipment and materials, mentioned above, have not been incorporated in the basic estimates for this report. The \$60 million estimate for 1961 includes tape recorders, record players, language labs, educational television stations, closed-circuit television, public address systems, and among the materials — magnetic tape, records and language tapes.

The statistical data are based on two chief sources. Over the past decade numerous surveys and studies have been made in depth for specific purposes by government agencies, trade associations and others. Such reports have served as the original base on which subsequent estimates have been predicated often on a percentage rise or fall from the base figure.

On an annual basis, more than sixty organizations and companies form a voluntary industry "consumer" panel, comprising a representative cross-section of all types of manufacturers, film producers, film processing laboratories, school audio-visual units, national associations, film distributors, business sponsors, religious organizations, government agencies, and medical groups. All such information supplied the SMPTE is treated as strictly confidential and is not revealed as individual data.

No information is separately included for teaching machines. Many involve photographic applications. Considerable amounts of money were expended for programmed instruction, covering experimenting with techniques, developing and manufacturing machines, and programming subjects.

#### Business and Industry

Sponsors and producers reported an increase of about 2% in the number of productions. The production level of some firms was the same as last year's; others up as much as 15%; and some down as much as 10%. Almost all reported that expenditures for production were up by an estimated average of 11%.

Likewise, release-printing was up 9%. Color made big gains, according to the laboratories, producers and sponsors. In some cases, the color footage almost doubled.

Distribution expenditures made an average gain of 14%, as bookings, showings and audiences increased.

Motion-picture equipment purchases were off slightly, but the dollar figure rose somewhat due to higher prices for improved projector models. Purchases of other audio-visual equipment and materials remained about the same as in 1960.

Producers and sponsors reported capital investment in studios, projection-conference rooms and other facilities, indicating the expenditure of about \$5 million in 1961. This amount does not include the motion-picture production and projection equip-

ment plus other audio-visual equipment already counted in Tables IV and V.

#### Education

The number of educational (non-sponsored, classroom) films produced in 1961 was slightly higher than 1960's adjusted total of 1020. The figure of 1600, reported in last year's Interim Report No. 2, has been reduced following the release of new information in a U.S. Office of Education survey of university film production activities. Filmstrip sales continued a steep climb.

Expenditures for production, release prints, distribution, and other audio-visual items increased 7%, 13%, 6% and 5% respectively. Projector buying dropped an estimated 14% as the National Defense Education Act impetus reached a peak in 1960 (Table VI).

Capital expenditures are estimated conservatively at \$2 million. This is in addition to one estimate of \$18¼ million for audio equipment. Of this amount, possibly \$12 million was invested in language laboratories.

#### Governments

Federal government motion-picture production was up for the first time in three years, due chiefly to increased activity in the military and space programs. State agencies and local units, such as police and fire departments, likewise are using visuals on an increasing scale.

**Table VI. Projector Ownership by Type of School (as of Jan. 1, 1962).**

	Projectors in use	No. of schools
Public Elementary . . .	125,000	92,111
Public Secondary . . .	72,700	25,744
Higher Education . . .	19,300	2,026
Private and Parochial Elem. & Sec. . . . .	17,000	17,059
Totals . . . . .	234,000	136,940

This interest is reflected in a modest rise in expenditures for release prints, film distribution and equipment purchases.

#### Religion

After several years on a budgetary plateau, slight increases in all five categories resulted in a \$1 million rise, 5.5% over 1960. Film productions remained even, while filmstrips showed another strong year.

Projector sales were up considerably including second-hand machines.

#### Civic, Social Welfare and Recreational

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**Table VII. Who Spends Audio-Visual Money? A Four-Year Comparison (in millions).**

	1958	1959	1960	1961	1961 vs. 1960
Business and Industry . . . . .	\$155	\$178	\$184	\$201	+ 9%
Education . . . . .	55	78	103	106	+ 3%
Governments . . . . .	56	59	59	63	+ 7%
Religion . . . . .	19	19	18	19	+ 5.5%
Civic, Social Welfare, Recreational, etc. . . . .	14	15	16	19	+19%
Medicine . . . . .	7	8	8	7	-12.5%
<b>Totals . . . . .</b>	<b>\$306</b>	<b>\$357</b>	<b>\$388</b>	<b>\$415</b>	<b>+ 7%</b>

The U.S. Office of Education Library Service reported that 254 public library systems in 1960 spent \$705,000 for audio-visual materials. 46 city and county public libraries in 21 states and the District of Columbia each spent over \$5000 annually for films and records. The Wayne County Library appropriated \$32,495 which, when added to Detroit's \$7,735 gives it the largest library audio-visual budget in the country. Reynolds Audio-Visual Library, Rochester, N.Y., claims the largest collection with 3090 titles.

**Medicine and Health**

Medical and public health motion pictures were off decidedly, down to an estimated 250 titles from 1960's 300. Altogether, the total dollar volume was off an estimated 12.5% for the year.

Release-print orders were likewise off, as was print circulation. Projector purchases, on the other hand, were strong, doubling the 1960 figure.

**1961 a Good Year**

While the monetary gain of 1961 over 1960 amounted to 7% (Table VII), nontheatrical film and audio-visual leaders were primarily challenged to find better and more economical ways of achieving their goals.

Some audio-visual dealers felt, to a certain extent, that the newborn 8mm sound program hurt the sale of 16mm sound projectors.

Some veteran audio-visual administrators, however, maintain that while the field may experience a pause in its climb, this is necessary as basic decisions are made that will open up greater opportunities.

Two major advancements of the year—technological improvements and the entry of several book publishers into the audio-visual field—are signs calling for confidence in the future. The need for better communication in a jet-age world places a great responsibility on the nontheatrical film and other audio-visual media.



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