04/18/2023; Hollywood writers are ready to strike

[HALF SECOND OF SILENCE]

[BILLBOARD]

SCORING IN <These Circles Wear Us Down In Time(minimal,aphexbass,idmdrums,glitch,alteredmarimba,reversepad)>

NOEL KING (HOST): When NINETY SEVEN POINT EIGHT FIVE PERCENT of members in the Writers Guild of America voted to authorize a strike yesterday / people IN Hollywood and people who watch Hollywood carefully were not shocked.

LUCAS SHAW (Bloomberg): You know, Hollywood executives, screenwriters, agents, pretty much everyone have seen a strike as inevitable for months now.”

NOEL: Hollywood writers say their pay and benefits haven’t kept pace with the times, and that the rise of streaming has disadvantaged them even more, and if a deal is not met, on or before May 1st, they’ll stop work.

LUCAS SHAW, Bloomberg There's always a chance that they reach a last minute deal. But I would say a pretty small minority of my sources, maybe, you know, ten, 15% think that there'll be a deal before.

NOEL: If there’s not a deal? The last time a REAL strike happened was in 2007, and it did fundamentally change what we watch. Coming up on Today, Explained.

[THEME]

NOEL: It’s Today, Explained with about 12 days before the writers guild and studios need to come to some sort of agreement we called Lucas Shaw covers media and entertainment for Bloomberg. Lucas also writes a weekly newsletter called SCREENTIME. Lucas, what do the writers want?

LUCAS: I mean, the simplest is obviously they want to get paid more. Right? That's what that's what almost any labor dispute is about. The Guild argues that the average salary for their writers has declined over the last decade. If you adjust for inflation, it's down~~, I think,~~ more than 20%.

NOEL: Oh

SCORING IN <Cancer - The Crab>

LUCAS: and more and more people are working for the minimum pay covered by the deal, because the way a lot of this works, right, is that a writer in a room gets paid a ~~there's a kind of a~~ minimum salary depending on what kind of work they do and their seniority and such.

<CLIP> Love, Season 1, Episode 9:

Voice 1: Here’s the deal. The offer’s scale and if you stay on top of your tutoring duties, I will even consider letting you sit in on the rewrite. But if the answer’s no, tell me now so we can move on.

Voice 2: Yes. if that’s what the deal is, then yes. I don’t even have to think about it, yes.

LUCAS: A lot of people get paid or kind of negotiate a more direct deal for more money. That's what happens with, you know, a really big writer/producer or a showrunner when they sell a show. You know, they're not getting paid. Whatever the minimum is, they're getting paid millions of dollars.

<CLIP> FOX NEWS: RYAN MURPHY, THE NAME BEHIND FOX HITS MANY HITS, INCLUDING "AMERICAN HORROR STORY," "AMERICAN CRIME STORY." “GLEE” GOING OVER TO NETFLIX. REPORTED DEAL, FIVE YEARS, $300 MILLION AND IT STARTS JULY 1st.

LUCAS: But the average person on a show is is generally getting paid, whatever the minimum is. And they feel that that's that's too low. There's also all sorts of work that they feel like they maybe don't get paid for. You know, writers have to pitch projects, do things like that. They don't they often don't get paid for it. And there's just been a bunch of of sort of new developments in large part due to this streaming boom that we've lived through that have changed the way that they get paid, that they feel have been to their disadvantage…

<CLIP> Kristen Van Nest: so for example, the studios have this thing called ‘mini rooms’ now a mini room is paying a writer to help them prepare to write a show, versus actually write on the show. And that would be fine except it’s pretty much the exact same work, and definitely the exact same amount of work except writers are paid less.

LUCAS: They don't like some of the limitations on what other projects they can work on. You know, they have a long list of demands that they're trying to work through.

SCORING OUT

NOEL: You said salaries adjusted for inflation went down. There is so much happening in TV. There's so much happening in film. How is that possible?

LUCAS: Well, if you think about how writers or how the TV business works, it used to be that your main goal was to be on a broadcast TV show

<CLIP>Cheers intro song: Sometimes you wanna go where everybody knows your name–

LUCAS: The season is going to run 20 plus episodes. It's probably going to last for at least a few seasons, sometimes longer. That means that you're going to get a chance maybe to write an episode or two. It means, or at least you're going to get trained. And by, say, season three or four, you get to write. It means you probably can get some time on set. There is a whole apprenticeship model. If a show is successful enough and it gets licensed to someone else in what's called syndication, those reruns get re-aired by another network. You are going to get a cut of that. If you wrote any episode. Just TV felt stable and there was sort of more upside in it in the case of success. Now you have streaming services that are by and large making fewer episodes per season. The shows don't last as long and they are taking just as long. And so again, you're doing out of maybe the same amount of work, but the opportunity for getting paid for a credit for a show is less and the odds are that you're just in general not getting paid as much as as it seems like from the outside. Because I get your question. I, I've wondered this myself to it. You know, we've we've seen this massive expansion in the number of shows being produced. Right. I think more than 500 scripted shows a year. But if you look at the total number of episodes, it's higher, but it's it's not as significant because the seasons are shorter and just the, you know, the model for people getting paid is different. And so not everyone is benefiting. The people who have benefited the most from that are the people at the very top.

<CLIP> More Perfect Union, Brittani Nichols: I write for a show called Abbott Elementary that’s on ABC, which is a traditional network. But the next day we’re on HULU. And a little bit after that we’re on HBO Max and Disney+. So the amount for a re-air on the network is $13,500. And the amount you’re paid for that episode being on new media, streaming is $700.

NOEL: The writers would seem to have a very rational and strong argument here. What are the studios saying in response?

LUCAS: You know, the studios, I think, acknowledge that there are some issues that that they need to to deal with and they need to compensate the writers a bit more. But they'd also point out a few things. One is the fact that there's more getting made means that there are more writers who kind of get a chance than ever before. You know, I don't know that this is going to be their central talking point, but I think you could say that there are, you know, more female writers, more writers of color who've gotten opportunities over the last few years than they had previously. The bigger argument that they'd likely make is that streaming services now pay writers as though every show is a hit. You know, one of the big changes in the model is, you know, Netflix came around and they said, we're going to pay more upfront and not have to pay on the back end because they buy out most of the rights to a show. So there isn't that kind of syndication gravy train coming at the end. And most shows are not hits. And so that does mean that a lot of people, you know, get paid more upfront or more for a show than they might otherwise have been paid. But, you know, perhaps most important, at least for the studios, is that they're saying they're all suffering because Wall Street has sort of soured on these streaming services ever since last early last year when Netflix reported a slowdown in its subscriber growth. You know, the stocks are there for for all these big companies have gone down.

<CLIP> MSNBC: alright been focused on shares of warner brothers discovery for some time, it’s been a sad story if you own the stock.

LUCAS: Pretty much every major entertainment company has fired staff in the last year, has vowed to cut costs. You know, we're not we don't need to cry poor for these companies. They they still they still are making a lot of profit. But their streaming services, these things they've spent a lot of money on are losing billions and billions of dollars. And so they say, you know, now is not the time to have to drastically change the model and pay writers a lot more money.

NOEL: So if a strike does happen on or around May 1st, what does that mean for what we see, like as a television consumer or a streaming consumer? What does this mean for my shows?

LUCAS: Well, the immediate impact will be limited to those that are constantly producing new episodes. So like the late night shows are some of the first to go off the air. Stephen Colbert of The Daily Show. That's usually something that's hit very quickly. We'll see if those programs have sort of developed any contingencies for this scenario. Knowing what has happened before, For those who mostly stream their TV, they I don't think they'd see an effect for really for a while because streaming services tend to stockpile projects. So you know Netflix we we experienced this a little bit during the pandemic where for the first several months Netflix had plenty for people to watch. And it wasn't for sort of six or 12 months where we started to feel, oh, maybe the you know, maybe the slate is a little thin.

NOEL: What is the popular TV show that people. All talk about now and they say, look, if this goes on six months down the line, this really will mean something for XX show that everybody is really into right now.

LUCAS: Well, think about a show like Abbott Elementary, which is a popular show on ABC.

<CLIP> Abbott Elementary:

Barbara Howard: Janine that performance was on point oh and they say UPenn students can't step.

Janine Teagues: wait who says that?

LUCAS: I tend to to watch it on Hulu

NOEL: same

LUCAS: those shows that air on broadcast. You know they are they the New Seasons debut often in the fall or in the midseason which is sort of January. The writing on that happens in the months leading up to that and then continues during the course of that show. It's a little different from streaming where they often sort of get the whole project done months before it's supposed to be released. And so if this strike were to happen and if it were to drag on, the chances of that the next season of that show coming on as expected, would be significantly lower.

<CLIP> Abbott Elementary:

Janine Teagues: most people think school starts when the kids get here. But it actually starts now at Development Week. Teachers prep for the year. We get ready, get our curriculum. It’s the calm before the storm. It’s very zen, actually.

[something falls in the background]

Other Voice: [bleep]

NOEL: You know, here's a question I imagine some of the writers are asking themselves. There is a lot of TV out there. There's actually a lot of very good TV out there, including a lot that people just don't have time to get to. If we don't see new shows coming down the pipeline, are we really going to be missing all that much or do you think consumers are likely to say, okay, there's no third season of Abbott, a show that I truly love. I think I'm going to go and watch back episodes of Succession.

LUCAS: Look, I would welcome a few months to go back and catch up with all the shows I've missed. I keep a long list on my Apple notes or my iPhone notes of shows that I haven't watched that I'd like to at some point. I don't know that the average viewer thinks about it that way. I mean, by and large, the most popular programs on streaming are new series, right? You know, more people are watching new episodes of the Night Agent on Netflix or The Mandalorian on Disney Plus than they are anything old.

<CLIP> The Mandoloarian: This is the way.

LUCAS: You know, there are a few exceptions shows like, you know, Friends and The Office that people go back and watch a ton of.

<CLIP> The Office: yeah! the product, the progninal– my son returns

LUCAS: But look, there's no shortage of of television for people to watch on these streaming services. And I think some of the studios, you know, our earlier conversation about their response to the writers demand, some of these studios would be more than happy to save money over a few months if they don't have to spend a bunch and just ask people to to watch older programs.

<CLIP> The Simpsons: Seen it. Bad. Boring. Saw it on a plane. Rerun. Rerun. [groan]

NOEL: Okay. This is really interesting. So what you're saying is the studios are not going to be thirsty for content. The writers presumably have money saved because they've been preparing for this and audiences have enough stuff to watch until they die. Who actually loses out here.

LUCAS: While studios would be, you know, okay, not having to spend a bunch of money for a couple of months because Wall Street is nervous about how much money they're losing on these streaming services, the best way to sign someone up to one of their streaming services is still to have something new. Right. You know, HBO Max, which is about to relaunch as Max in May, one of the things that they need to ensure that more people sign up for their service because that's why they're doing it. They want more people to be using Max more frequently if they need fun, hit shows, new hit shows for people to watch. And while they may have it for a little bit, if they don't have those later this year, that's a problem for them.

SCORING IN <Sunlit Rhodes>

LUCAS: Now, in terms of other losers, there are a lot of people who work on television shows who would suffer. You know, the last time there was a writer's strike, the the economy in Los Angeles was estimated to lose more than $2 billion. You think about the number of shows being produced, the number of movies being produced. It's not just rich people arguing with rich people. There are, you know, caterers, there are hairstylists, there are makeup artists, there are drivers and truckers and all, you know, all these people built around a production. And it's really not. Just in Los Angeles, either. The way that, you know, the production business has changed over the last several decades. You know, Atlanta is a major production hub. New Orleans is a major production hub. New York, Chicago, Vancouver, Toronto, North Carolina. Certainly, you know, London, some other places that may not feel it, but do welcome American productions. And you have just, you know, a lot of workers who've built up around those production hubs who would suddenly not have a job for a while and would have to find something else to do.

NOEL: Coming up, we’re seeing lots of comparisons to the LAST big writers’ strike in 2007. We’re going to tell you HOW that one went down and how it changed - and it did - what’s on your TV.

[BREAK]

[BUMPER]

Late Night With Conan O'Brien - Writers' Strike First Episode Opening: Good people right now are out of work. And its– [crowd groans]. Yea. And possibly worse, with all the late night shows off the air, Americans have been forced to read books and occasionally even speak to one another. Which has been horrifying.

NOEL: It’s Today, Explained. I’m Noel King. We’re back with Lucas Shaw of Bloomberg and of the SCREENTIME newsletter. Lucas, Tell me about the last big strike.

LUCAS: So the writers went on strike in 2007. It lasted 100 days. It stretched into 2008. And this was the last big labor unrest in Hollywood. We've seen some some disputes and skirmishes since then, including this moment where, you know, writers fired their agents for a long period. But that was the strike that people remember vividly and sort of in part earned the writers’ reputation for being one of the most activist of the big Hollywood labor unions. You know, that was a different time in in Hollywood. It was the very beginning of streaming 2007, 2008. That was the debut of Netflix’s streaming service.

<CLIP> Netflix Theme

LUCAS:It was the debut of Hulu.

<CLIP> HULU THEME

LUCAS:It was the debut of Amazon’s streaming service.

<CLIP> AMAZON THEME

LUCAS: It was so brand new. And writers were as preoccupied with, you know, DVDs and getting paid from from those as they were from this, you know, oncoming revolution in in pop culture.

<CLIP> HOUSE OF CARDS: Such a waste of talent. He chose money over power. In this town a mistake nearly everyone makes. Money is the mcmansion in sarasota that starts falling apart after 10 years power is the old stone building that stands for centuries i cannot respect someone who doesn't see the difference

NOEL: What was the strike about in 2007? What were the issues then?

LUCAS: So part of it was residual payments or fees for those those DVD sales. You know, you think back then, DVDs moved more than, you know, a billion units a year. I think, you know, studios would make a couple hundred million dollars just from DVD sales for their biggest titles. And writers felt like they did not get enough of that money, much as they now feel they don't get enough from streaming. There was also a lot of concern about, you know, the Internet and making sure that they were adequately prepared for that. So at the time, the the Writers Guild that didn't have jurisdiction or power to negotiate over those. So that was one of the things that they were pushing for. And they also wanted to make sure that they were getting paid in some way for and of Internet transactions, Internet streaming, because again, it was so new that they weren't really getting paid for any of that.

NOEL: What ended up happening? Take me through it a little bit..

LUCAS: Well, There was a pretty long labor dispute where you had months of major writers petitioning at studios, protesting.

<CLIP> WGA West, Seth McFarland: they know damn well they're in the wrong here the logic would be obvious to a child and novelist receives fair royalties for their books a musician receives fair royalties for their songs screenwriters deserve fair royalties for their work [Applause]

LUCAS: You had a complete shutdown in production. You know, we talked about there was no late night television for a long time. And there was a huge increase in reality TV. You know, you think back in the history of reality, yes, there was the real world in the nineties and, you know, Survivor and Who Wants to Be a Millionaire came came around around the turn of the century. But there was just a dramatic increase in reality TV produce coming out of that, because that was one thing that these networks could put on the air.

<CLIP> Celebrity Apprentice Theme

LUCAS: NBC created Celebrity Apprentice to spin off of of The Apprentice.

NOEL: Oh

LUCAS: I'm sure that's one of your favorite shows.

NOEL: [laughs]

LUCAS: big brother came on the air. you think back there was actually a big labor dispute in the late eighties and that is part of what gave birth to cops, I'm sure another one of your favorite shows.

SCORING OUT

<CLIP> COPS THEME

LUCAS: And so strikes have have historically been the cause of a of a big increase in reality TV. And then, you know, there was they reached a they reached a deal in early January but but only after you know, a lot of fighting back and forth. The writers mostly ended up kind of giving up some of their complaints on the DVDs, which in retrospect was, okay, they did get some major gains on on streaming just in getting the Writers Guild to have the jurisdiction to negotiate and also this structure for residuals or fees, because one of the things for writers is, is not just getting paid upfront, but getting paid sort of in success and in relicensing.

<CLIP> CBS NEWS

sandra hughes:observers say there was compromise on both sides but the studios gave the most and today a new contract was presented to riders first on the east coast

Michael Winship: i believe it's a good deal i am going to be recommending this deal to our membership

NOEL: What I hear you saying is the writers mostly won in 2007, is that right ?

LUCAS: I think it was mixed. You know, they certainly got more concessions, I think, than they would have had they not struck. And that's what some members of the guild are looking back on now as inspiration, because I do think there's some debate in the entertainment business over, you know, how effective these actions are. When the writers had that this fight with their agents a few years ago, where they have ceremonially fired all their agents and only later did they reach a new deal. They were they were fighting over this thing called packaging, which had to do with how agencies kind of make money from their work. And I think there are a lot of writers who look back on that fight and wonder if they actually got every. Thing they wanted out of it.

NOEL: How did that agreement what, what are we talking 16, 16 years ago, 15, 16 years ago? How did that shape the Hollywood that we have today? Did it?

LUCAS: First of all, it it shaped what people watch in that it did lead to this this dramatic increase in the production and output of reality TV, which has only increased since then. You know, you look at at Netflix and people were, you know, going crazy on on Sunday evening because the live stream of the Love is Blind reunion did not function and love is blind. And all these reality shows have become such a big draw even for for Netflix center that the streaming leader which started with normal dramas it also you know it's set the the pay scale for what we see today in streaming and how writers are compensated. And this has been, you know, an ongoing dispute I would say, over the past decade between the creative community in Hollywood and the streaming services, you know, and streaming services first came around. Netflix told people, we'll pay you a bunch of money upfront. You get paid like it's a hit. And by the way, you don't have to worry about how successful it is. And I think everyone was, you know, kind of relieved by that, right, Because there was such pressure. They felt if you had a show on broadcast to look at the ratings and people would wake up first thing Tuesday morning and say, oh, did my show hit a 5.7 or a 5.9? And what does that mean? And Netflix absolved them of having to worry about that at all. But now that streaming has become an of the primary way, they realize that some of those models don't work so well for them. They want to know how their projects did and they want to get paid in success. You know, there is this feeling of information asymmetry but they're now negotiating with a bunch of companies that have set the practice of not needing to disclose data. And if you let companies get away with that, they're probably not going to want to change the practice.

NOEL: Are there any other similarities between 2007 and today?.

LUCAS: Well I think there is there's similarities in that the writers feel like they're not getting paid enough. That's the obvious one. There is a new technology that is similarly scaring people now, as a streaming did then, in artificial intelligence. I don't know that that A.I. is going to dramatically reshape the entertainment business as much as streaming did. It's it's obviously too soon for us to know that there are some people who certainly think it will. And I would imagine that, though, it's not the you know, if the central part of this negotiation is related to minimums and residuals and mini rooms and all of these things that govern sort of the the nuts and bolts of making a TV show and how writers are paid, artificial intelligence is that other thing where they're going to make sure there's some kind of clause in the deal that that protects them unless they view that as something that can kick down the road and get what they want on the core issue, Because that's to me, one of the most interesting dynamics in this whole dispute is the writers are asking for a lot of different changes to the system and there's going to have to be some compromise. And that, again, is a similarity last time where there were a lot of concerns about DVDs, also a lot of concerns about streaming. And in any negotiation, you just got to pick and choose a little bit.

NOEL: And it seems like the other big dynamic here is you almost want to be able if you're in the writer's position, you almost want to be able to predict the future. I mean, even two years ago, we as a, as humanity were not worried about A.I. the way we are now. And so if you lock in changes for a set period of time, well, in six months, those changes could be outdated.

LUCAS: Yeah, you're absolutely right. Look back to the deal that they struck in in 07–08. ~~Right. They~~

SCORING IN <The Butterfly Drank Too Much>

LUCAS: the residuals that the writers receive for streaming, which is sort of a paid for a project getting re-aired. They get paid for. You know how long a show is on or how or how recently it was on and how many episodes, but they don't really get paid for how many viewers it has or anything related to the success of a show. They just some of it I'm sure they anticipated and couldn't get, and some of it they failed to anticipate just how much it would change. And that's always the tricky thing with these is you want to negotiate a deal that gives you some some wiggle room going forward. Or you have to, you know, you end up striking 15 years later.

Today’s episode was produced by Hady Mawajdeh, and edited by Matthew Collette. It was fact-checked by Laura Bullard and engineered by Patrick Boyd. I’m Noel King. It's Today, Explained.

[10 SECONDS OF SILENCE]