An assortment of films is released to the American viewing public every Friday. While some movies generate immediate box office success and remain in the theaters for many weeks, others are quickly removed from the screens and promptly replaced with new box office hopefuls. Have you ever seen transfer of information between consumers (as measured by CinemaScore reviews).

#### Ex Ante Model Results

Based upon our analysis of the *ex ante* model, some interesting results are obtained. Although production budget matters bc 'Z'a 'gi WW ggž'U'%' ']b'U'Z'a Ng Vi X[ Yh'k ]``Wé ffYgdcbX'k]h'Ub']bWYUgY'cZ'cb'm\$"' +) i ']b'fYj Ybi Y'''Gi W. 'fYgi 'hg' ]bX]WUhY'XYWYUg]b[ 'fYhi fbg'bc U'ghi X]cNg 'Z'a ']bj Ygha Ybhž'UbX'XYa cbghfUhY'fYj Ybi YNg 'UV\_'cZ'fYgdcbg]j YbYgg'bc 'W. Ub[ Yg']b' the budget variable. Some researchers argue that the production budget has the ability to raise the minimum revenue that a movie might earn, but has a relatively small influence on its potential maximum. This finding of decreasing returns supports h\Y'bch]cb'h\Uh'Vi X[ Yh'U'cbY']g'bchYbci [ \'hc'Ybgi fY'U'Z]'a Ng 'gi WW gg"`'-b'\]g'&\$\$( 'Vcc\_ž' Hollywood Economics: How Extreme Uncertainty Shapes the Film Industry, A. De Vany suggests it is also likely that diminishing returns occur at a certain budget level, where the increase in spending is no longer obvious on the movie screen in the form of special effects or key actors (p. 134).

The presence of certain stars increases film revenue, but we believe that stars themselves do not actually cause movies to be successful. More likely, stars select film projects that already have an increased potential for success. Films released during the summer and holiday seasons experience 14.4% and 7.0% higher revenues, respectively.

-Z'U'a cj ]Y']g'U'gYei Y`hc 'Ubch\Yf'Z]`a ž'U'% `]b₩fYUgY`]b'h\Y'dfYWYX]b[ 'Z]`a Ñg'[fcgg'fYj Ybi Y'k]``fYgi `h']b'Ub']b₩fYUgY`cZ' \$"\$%\*ı `]b'h\Y'gYei Y`Ñg'[fcgg'fYj Ybi Yž'U``ch\Yf'h\]b[g'VY]b[ 'Yei U`"``H\]g'U'gc'gi ddcfhg'h\Y'bch]cb'h\Uh'gYei Y``g'i gi U``mcb`m earn a fraction of the gross of the original film.

There is a consistent demand for violent films as evident in the importance of the action-adventure and horror genres in our study. On the other hand, comedies and comedy-dramas both also have wide-reaching appeal. Animated and science fiction features have a more hit-or-miss character, perhaps because they have more limited target Ui X]YbWg'cZ'W\_]`XfYbŴ'UbX`gWYbW'Z]Wjcb'UZ]WjcbUXcg''`: cf'h\]g'fYUgcbZ these film genres tend to be riskier undertakings for studios relative to violent, R-rated films.

PG-13 is the only significant MPAA rating in our sample, which may suggest that P earn,(o)-5(ur)8(st)-occur atur ats ts as e tt(t)-5()6e yi()20(t)IJETB(he)-4(r)7(re)-5(v)-2(e)-5(8)17(e)-5(s,)9()6(re)-5()6(no

## Faculty Notes

"Estimating Core Unemployable And Workforce Non-Participants: A Study of Pennsylvania's Labor Force", co-authored by Dr. Jack D. Julian, Dr. David B. Yerger, and former student Ms. C. Elizabeth Hall, was published in the February 2010 edition of the Journal of Business and Economics Research.

Dr. James J. Jozefowicz and Dr. Stephanie M. Brewer Jozefowicz attended the National Association of Economic Educators Professional Development Conference in Oklahoma City, OK, on February 25-27, 2010. Jim co-chairs the NAEE Professional Development Committee and Stephanie serves on the committee. They both helped to organize the conference.

Dr. Yaya Sissoko dfYgYbhYX 17i ffYbh5WWci bhGi ghU]bUV]`]mi]b 5Zf]WUb 7ca a i b]h]Yg. 5fY h\YfY FY[]cbU 8]ZZYfYbWrgž Wc-authored with Niloufer Sohradji, at the 36<sup>th</sup> Eastern Economic Association (EEA) Annual Conference in Philadelphia, PA on February 26 28, 2010. He also served as the discussant for another paper and attended the Presidential Address given by N. Gregory Mankiw

Dr. James J. Jozefowicz and Dr. Stephanie M. Jozefowicz were both recognized by IUP for 10 years of service.

ÎFifU`DYbbqmìjUb]UIbXYfYad`cmaYbh5bX ≠q8YhYfa]bUbhqžiWc-authoredby Dr. Jack D. Julian, Dr. David B. Yerger, and former student Ms. C. Elizabeth Hall was published in the March 2010 edition of the Journal of Business and Economics Research.

Dr. Willard Radell's paper, "Economic Logic in Cuba's 2002 Sugar Industry FYqhfi Whi f]b[ 3lžk Ugʻdi V`]g\YX`]b J c`i a Y % cZ Cuba In Transition, sponsored by the Association for the Study of the Cuban Economy.

Dr. Sarah E. Jackson presented "The Effect of Legal Intervention on Youthful Offenders" at the Midwest Economic Association Conference in Evansville, IL, on

March 19-21, 2010. She also served as a discussant and a session chair during the conference.

Dr. James J. Jozefowicz served as editor of the Proceedings of the Pennsylvania Economic Association 2009 Conference.

Ua ʿdfci X ʰc ʿgYfj Y ʿcb ʰ\ Y ʿI b]j Yfg]hmGYbUhY ʿUb X ʰ\ Y ʿGYbUhY ʿ7 ca a ]hhYY ʿcb ʿGhi X Yb ʰ 5ZZU]fg" ʿ∔ฟ̄ŋ ʿYI W[h]b[ ˈk \ Yb k Y ːX]gWi gg ˈd c `]Wh and we get into heated discussions. But not all committee meetings are all that exciting. After having spent a lot of time in front of the class, it is difficult for me to sit still for an hour-hour and a half at a meeting. But even though these are things I like the least, it is important work. I think most people who love their jobs have to deal with some parts that are a bit unsavory. =\cdY`=XcbÑhWcad`U]b`UVcih`]hhcc`aiWX"``=fYU``mg\ci`XbÑhWcad`U]b"

SJ: How do you spend your time outside of work?

JJ:

## Dr. James J. Jozefowicz Dr. Stephanie M. Jozefowicz Dr. Jack D. Julian, Jr. Dr. Nicholas Karatjas Dr. Todd B. Potts Dr. Willard W. Radell Dr. Yaya Sissoko Dr. David B. Yerger Faculty Emeriti Dr. Arthur H. Martel Dr. Robert J. Stonebraker Dr. Donald A. Walker

Faculty

Dr. James A. Dyal

Dr. Sarah Jackson

## Economics Club

#### Economics CI ub News

This semester, the Economics Club has hosted the following alumni speakers:

...

## Show Your Pride

The Economics Club is selling IUP Economics T-shirts! You can show pride in your association with the IUP Department of Economics and support the Economics Club at the same time. Shirts are available in crimson (100% cot-

### Indiana University of Pennsylvania Department of Economics 213 McElhaney Hall 441 North Walk Indiana, PA15705-1087

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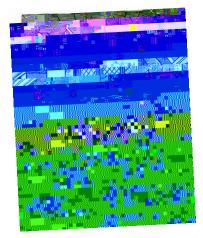
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# Al umni News Spring 2010

## Department of Economics

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