

FROM OPPORTUNITY TO IMPACT

ASSESSING THE ECONOMIC,
SOCIETAL AND CULTURAL
BENEFITS OF YOUTUBE IN THE US



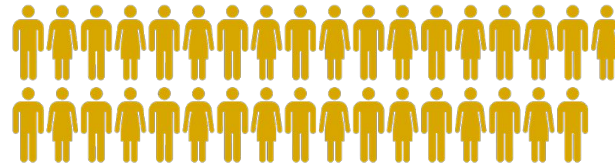
Every day, YouTube helps people learn new skills, start businesses, create jobs, and enrich their lives. This study by Oxford Economics assesses the full economic, societal, and cultural impacts of the world's most popular video-hosting website in the US, combining sophisticated survey techniques and economic modeling.

Around one billion hours of YouTube videos are watched every day across world. In the US, these views generate substantial revenues for YouTube creators and other businesses—which in turn support economic activity and jobs in their supply chains, and throughout the wider economy.

In 2019, we calculate that YouTube's creative ecosystem contributed approximately:



\$16 billion
to US GDP



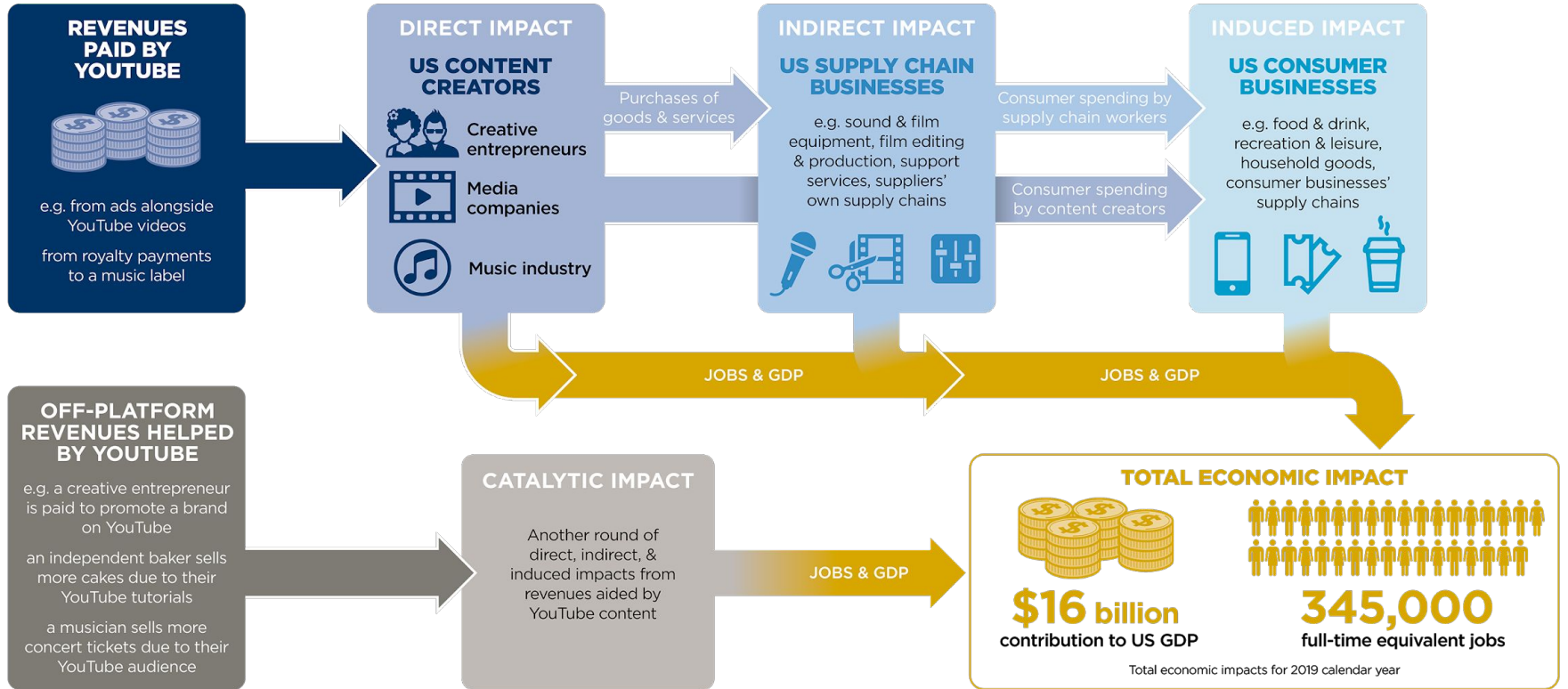
345,000
FTE jobs across the US

OUR METHODOLOGY

Oxford Economics' economic modeling used survey results and published data to estimate the contribution of YouTube to headline economic metrics such as GDP and employment. We also developed economic models to estimate the value that consumers place on YouTube.

In all, we undertook four anonymised surveys comprising 14,000 US-based users, 7,000 creators, and more than 500 businesses. Over the following pages, we present the results of our economic modeling and other key findings from our research. We also present a series of personalized case studies of successful YouTube creators.

THE TOTAL ECONOMIC IMPACT OF YOUTUBE'S CREATIVE ECOSYSTEM



THE HOME OF CREATIVE ENTREPRENEURS

YouTube's large number of “creative entrepreneurs” find opportunities and economic success in the US both on and off the platform.

77% say YouTube has had a positive impact on their professional goals.

82% agree YouTube helps them export content to international audiences to which they would otherwise not have access.

63% indicate that YouTube has brought them additional opportunities away from the platform.

“For us, YouTube is not about saving costs, it's about reaching a new audience among customers who are online most of the time—especially the younger population.”

Web producer for international broadcast media company



Creative entrepreneurs comprise YouTube creators with at least 10,000 subscribers to their largest channel, and those with fewer subscribers who earn money directly from YouTube, earn money through their YouTube videos from other sources, and/or permanently employ others in support of their YouTube activities.

BRANDON REED

Full-time animator on YouTube *South Bend, Indiana*

Brandon Reed has always loved drawing. As a single father, he was looking for a way to supplement his income—so he turned to YouTube to teach him the art of animation. Working on this passion project at night, he completed his first full-length animation within a year; now his YouTube channel, Cartoon Connect, has almost 1.5 million subscribers. Brandon is a full-time animator on YouTube these days, sustaining his family by following his childhood dreams.



A PLACE TO LEARN

In both their personal and professional lives, YouTube empowers users to develop a huge range of skills and knowledge—enabling them to save money, acquire qualifications, and even jumpstart careers.

6 in 10 users say they use YouTube to learn how to fix a practical problem.

Nearly 1 in 3 users report saving money or time as a benefit of using YouTube.

85% of US teachers who use YouTube state they use content from the platform in their lessons.

“As a result of YouTube, our students’ assignment completion figures have increased, and on top of that we have seen enhanced quality of those assignments. It also increases knowledge retention.”

High school teacher, New York City

KRYSTN KELLER

Business owner *Mobile, Alabama*

While searching for a way to clear her son’s eczema, Krystn Keller delved into the world of natural soap-making on YouTube. What she learned enabled her to create a nourishing soap infused with oatmeal. Not only did it change her son’s life by clearing up his eczema, it changed Krystn’s too—as she began hearing from other people who were looking to get her soap for their children. The resulting business, Keller Works Naturals, has seen Krystn lease a 1,500-square-foot space for a full-fledged production facility—and she is soon due to take over the 3,000-square-foot space next door.



DRIVING CULTURE

YouTube's accessibility offers opportunities for creators of all demographics from all US states by eliminating costs and circumventing traditional media processes. The diversity of this creator population is mirrored by YouTube's highly diverse content library, which connects users of all backgrounds with culture of all kinds. As people create, share and experience culture through YouTube, so new communities are formed across the US and around the world.

67% of creative entrepreneurs say YouTube has increased their ability to influence the causes they care about.

70% of users agree that YouTube enables them to view content they would have been unable to access through traditional media.

62% of creators in the US agree that the YouTube community encourages them to create "diverse and innovative" content.

NIA WELLMAN

Social organizer
Hampton, Georgia

When searching for ways to style her own hair naturally, Nia Wellman found there was a dearth of resources on natural African American hair. Inspired by her research, she decided to use YouTube to enlighten others with what she had learned. She subsequently utilized her social platform to build a campus organization, Campus Curlz, that encourages students to take pride in their bodies and serve their communities.



“YouTube celebrities are very often the kind of people who would never have flourished in the traditional mainstream, with its gatekeepers who demanded a certain kind of talent.**”**

Professor Jay David Bolter, Georgia Institute of Technology

HELPING BUSINESSES GROW

YouTube enhances employees' performance, and helps businesses connect with more customers at home and abroad—increasing revenues, supporting jobs, and improving productivity.

84% of businesses with a YouTube channel agree that YouTube has helped them to grow their customer base.

83% of businesses with a YouTube channel agree the platform helps them reach new audiences across the world.

80% of businesses with a YouTube channel agree that interactions with customers on YouTube have developed their customer intelligence.

“YouTube has helped us boost our company’s revenue by 30-35% ... We can compete with large companies on the platform, especially the ones that deal with multiple subjects and have 10 times the number of subscribers we have, because we have a core competency.”

Founder-owner of an economics-focused education consultancy

CHEONG CHOON NG

Inventor Novi, Michigan

Cheong Choon Ng, a crash test engineer, invented a bracelet-making loom in order to spend more time with his daughters. He committed his life savings to making a business of these rubber-band bracelets—but was met with limited interest because people had difficulty understanding how to use his loom. Without any money for marketing, Choon turned to YouTube, creating explainer videos with his daughters that have attracted many millions of views. Choon is now the proud operator of a multi-million dollar company selling looms and rubber bands in more than 70 countries.



WHAT USERS AND CREATORS TOLD US ABOUT YOUTUBE

AN AID FOR BUSINESS

“YouTube has allowed me to start my own business and live the American Dream.”

Creator, 25-34, NJ, 5 million+ subscribers

“As an older person, YouTube has allowed me to build an international audience for my music that otherwise would have been impossible.”

Creator, 55-64, Virginia,
50-250K subscribers

“It’s a dream. My monthly income has skyrocketed.”

Creator, 25-34, NY, 50-250k subscribers

Source: US creator survey (n = 7,000)

A TOOL FOR LEARNING

“I have learned so much. I wish I had this as I was growing up.”

User, 45-54, Pennsylvania

“It is the first source I go to for pertinent information in my life.”

User, 45-54, San Francisco

“Helps me find answers I’d never find anywhere else.”

User, 65-74, Florida

Source: US user survey (n = 12,000)

A SPACE FOR MINORITIES

“I think YouTube has become an important space for both minorities and people with niche interests to form positive, helpful communities.”

User, 35-44, Georgia

“You Tube has expanded my outlook on so many diverse topics and issues.”

User, 65-74, Puerto Rico

“Without YouTube, I wouldn’t be able to reach as many people who are interested in the niche subjects I am interested in.”

Creator, 25-34, Maryland,
10-50k subscribers

Source: US User and Creator surveys

ABOUT OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on more than 200 countries, 250 industrial sectors, and 7,000 cities and regions.

Headquartered in Oxford, England, with regional centres in New York, London, Frankfurt, and Singapore, Oxford Economics employs 400 full-time staff, including more than 250 professional economists, industry experts, and business editors. Our global team is highly skilled in a full range of research techniques and thought leadership capabilities from econometric modelling, scenario framing, and economic impact analysis to market surveys, case studies, expert panels, and web analytics.

Oxford Economics is a key adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base now comprises over 1,500 international organisations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.



METHODOLOGY Q&A

How did we estimate the GDP contribution of YouTube's creative ecosystem?

The total pay-out from YouTube in 2019 was estimated using results from our survey of US-based YouTube content creators and published information on music industry revenues.

We estimated the direct GDP contribution of creative entrepreneurs by subtracting intermediate costs from revenue associated with YouTube activity (the "production" approach). The direct GDP contribution of music and media companies was estimated by applying a standard GDP:output ratio to the pay-out estimates.

We then used an "input-output" model—in essence, a table showing who buys what, and from whom, in the US economy—to estimate both the supply chain (indirect) impact, and "income multipliers" from which we derived the induced impact. In line with standard practice for these types of study in the US, we used IMPLAN to estimate the indirect and induced effects.

Our results are presented on a gross basis: in other words, they do not consider what the resources used by content creators or stimulated by their expenditure could alternatively have been deployed to do.

Do the results exclude any activity connected with YouTube?

Our estimates exclude the economic contribution of YouTube's own operations, and the benefits that businesses receive from increased sales as a result of advertising on YouTube.

How did we estimate the total jobs supported by YouTube?

Full-Time Equivalent (FTE) jobs supported amongst creative entrepreneurs were estimated from the survey responses relating to the weekly hours spent working on YouTube. We only included responses from creative entrepreneurs who spend at least eight hours per week working on YouTube. Jobs supported amongst creative entrepreneurs' permanent employees were also estimated from the survey responses.

Jobs supported by media and music companies, and through indirect and induced impacts for all types of creator, were estimated by applying productivity assumptions to the GDP results.

Note: The case studies presented in this document are based on information provided by YouTube.

