



# THE INEXACT SCIENCE AND CREATIVE ART OF Budgeting

A HANDFUL OF MOVIE PRODUCERS TALK  
PRIORITIES AND BREAK DOWN EXPENDITURES  
IN DETERMINING HOW THEY GET THE  
MOST BANG FOR THEIR BUCK.

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**S**ince the dawn of Hollywood, movies have gone over budget. Some money-gobbling projects like *The Wizard of Oz* and *Titanic* overcame astronomical expenditures to become timeless classics. Others wreaked havoc. *Cleopatra* (1963) cost so much that 20th Century Fox covered its losses by selling its 260-acre backlot to the developers of present-day Century City. *Heaven's Gate* (1980) arguably hastened the demise of 1970s-era auteur cinema by hemorrhaging production money on behalf of the film's perfectionist director, Michael Cimino.

But most savvy movie producers now understand how to craft budgets that balance financiers' constraints with filmmakers' artistic ambitions, even if there's the occasional "approved overage," often involving an A-list actor with a fat quote. "The hardest part of our job is that we're fortune tellers," says one producer, speaking on condition of anonymity.

Whether it's a studio or private financiers footing the bill, it's the producer's job to make an agreed-upon number work. "The budget is a box," says this producer. "Whether the box is \$10

million or \$110 million, that's what you have to play with."

On deconstructing a typical midlevel budget (\$50 million) on a film with big talent but minimal VFX: "Maybe 40% will be above-the-line; somewhere between 30 and 40% is below the line, 10 to 15% is post, and everything else falls into the 'other' or contingency category," this producer observes. "But each budget is specific to the project. It's not a science."

*Produced By* asked a number of producers to talk about above-the-line, below-the-line and postproduction challenges on blockbusters, midrange features and low-budget films.

## Taming the Tentpole in *Dungeons & Dragons*

Producer Jeremy Latcham (*Spiderman: Homecoming*, *The Avengers*), teamed with executive producer Denis L. Stewart (*Iron Man 2*, *Teenage Mutant Ninja Turtles*) on Paramount Pictures' recent release *Dungeons & Dragons*. Starring Chris Pine, the adaption of the role-playing game reportedly cost \$150 million, a figure the producer would neither confirm nor deny.

"There's a barrier of entry if you're making a big tentpole movie," Latcham explains. "The studio says, 'This is the ballpark we want to be in,' and then it becomes incumbent upon Denis and myself and the writer-directors (Jonathan Goldstein and John Francis Daley) to say: 'What is the most story we can tell for that amount of money?'"



**"The hardest part of our job is that we're fortune tellers."**



*Dungeons & Dragons: Honor Among Thieves* was shot mostly in Northern Ireland, which offers significant tax incentives.

The producers we spoke to prioritize pricing for their movies' set pieces. "There's a bit of a formula for how many action sequences we're going to have and what the shot cost will be from a visual effects standpoint," Latcham says. "If we have a sequence with a dragon in it, we know that's going to have a much higher shot cost than a stunt fight in an alleyway, so you try to pepper in big visual effects spectacle sequences with a couple of sequences that are more set-based with stunts. You want to juggle the plates so you're not too heavy on dragon sequences, because those are going to be the most expensive."

Locations always play a major role shaping budgets, Stewart adds, and with *Dungeons & Dragons*, "You have to build a world, so you figure out the most economical way to achieve that." Goldstein and Daley shot most of the movie in Northern Ireland which, like the rest of the U.K., offers significant tax incentives. Beyond the rebate, Stewart says: "By shooting in Belfast, we got lucky with our timing because we were able to use facilities and stages and crew from *Game of Thrones*, since HBO had just stopped production."

As filming progressed, *Dungeons* producers used pie charts to visualize expenditures, says Stewart. "It gives you a snapshot of where your resources are going. You can do a



## NEW MEMBERS



### SAGA ELMOHTASEB

Film and TV producer Saga Elmohtaseb started her career at E! Entertainment, LATV and Fox Studios. She most recently produced PBS/KCET's *10 Days in Watts* (2023), an immersive docuseries about the meaning of a community garden, and served as line producer on the Emmy-nominated documentary, *LA Foodways* (2019).

#### WHAT'S THE BEST PIECE OF ADVICE YOU'VE EVER RECEIVED ABOUT PRODUCING?

From my parents: Money doesn't make a person, and one hand does not applaud itself.

pie chart on the visual effects cost, on the length of a sequence, on the shooting days, on everything. You might look at those slices of the pie and go, 'Wait a minute, this three-and-a-half-minute sequence is inordinately cheap—or expensive. Then you can drill back in there and make sure it's being conceived and budgeted properly.'

Construction costs accounted for a significant spend, but producers coaxed efficiencies from the production design department. As Latcham notes, "If you're going to build an expensive set that costs, let's say, \$500,000 or \$700,000, you'd better use it more than once. Denis worked in very smart ways with our production designer, Ray Chan, to explain that if we can make one set into three different sets, then it becomes a lot more economical to build. 'Forge office, Kira bedroom, medal ceremony' is a lot easier to sell than 'forge office.'"

Goldstein and Daley shot *Dungeons & Dragons* in 72 days. Once physical production wrapped, postproduction edits and VFX demanded considerable attention.

"Especially on these kinds of films, visual effects budget takes up more of the (pie) chart," Latchman says. "I've been on Marvel films where the visual effects department was the biggest line item." During principal photography, Stewart tracked expenses "on a granular level," Latcham says.

"The main thing is to take the money that you save along the way and sock it away so that you have it in post," Latcham adds. "Denis did a great job of squirreling away our savings as we went so we could fix our problems later. We did *not* want to go back to studio and ask for more. You want to complete the movie and make it great. If everyone's happy and they want to make it even better, that's fantastic."

*The Perfect Find* used the Newark Museum of Art for several interiors, saving money for needle drops.

PHOTO BY ALYSSA LONGCHAMP/NETFLIX



### Paying for Rom-Com Charm in *The Perfect Find*

Like most rom-coms, *The Perfect Find* from Netflix kept VFX costs to a minimum, relying on the chemistry between star-producer Gabrielle Union and newcomer Keith Powers to drive the story. The cost bump for this 24-day shoot, filmed in New York and New Jersey, originated instead from director Numa Perrier's mood-setting music cues. "The needle drops were a situation where we initially had a number, and then

Numa turned in her director's cut with the music she chose," says *Perfect Find* producer Glendon Palmer. "People loved it, but all of a sudden, our numbers went way up. How can we keep this music? We actually had a savings in the production and we applied that to the music." Palmer explains that Perrier was an unusually efficient director and that the movie's line producer, the late Matthew Myers, excelled at extracting value from tight budgets.

*Perfect Find* producers also carved out savings by securing the Newark Museum of Art for several different interiors dressed by production designer Sally Bower and her team. "The look of Darcy's apartment, Jenna's apartment, the gala, the pink suite—Sally's job was to encompass all of that within the budget, and the museum basically became our stage," Palmer says. "We could leave our trucks there, come and go as we pleased, shoot, go home. The museum was a definite time-saver and allowed us to come in under a number that made Netflix happy."



## 18 Days to Capture *Weird: The Al Yankovic Story*

COVID threw a monkey wrench into virtually all film production in 2021 and 2022. Funny or Die and Roku's *Weird: The Al Yankovic Story*, the faux-biopic comedy starring Daniel Radcliffe as the accordion-playing music prankster, was no exception. "The pandemic was problematic because it added to the budget and our number from Roku was an all-in number," says producer Whitney Hodack. "It wasn't like, 'Yes, you get your budget and then you get your COVID money on top.' Fortunately, we didn't have any shutdowns, everybody stayed safe, and our COVID team did a beautiful job, but shooting this movie during COVID was nerve-racking."

Hodack finessed the budget to accommodate pandemic-related line items. Describing her negotiations with cinematography, costume design and production design department heads, she recalls, "It's like, 'Your department budget is not going to be what you want it to be. I know that and you know that. Your head count is not going to be what you want it to be. I know that and you know that. But oh my gosh, we have Daniel Radcliffe coming to play with us. Al (Yankovic) will be on set every day!' It's a good vibe. But these are the parameters, and you have to let them know what they're walking into."

## NEW MEMBERS

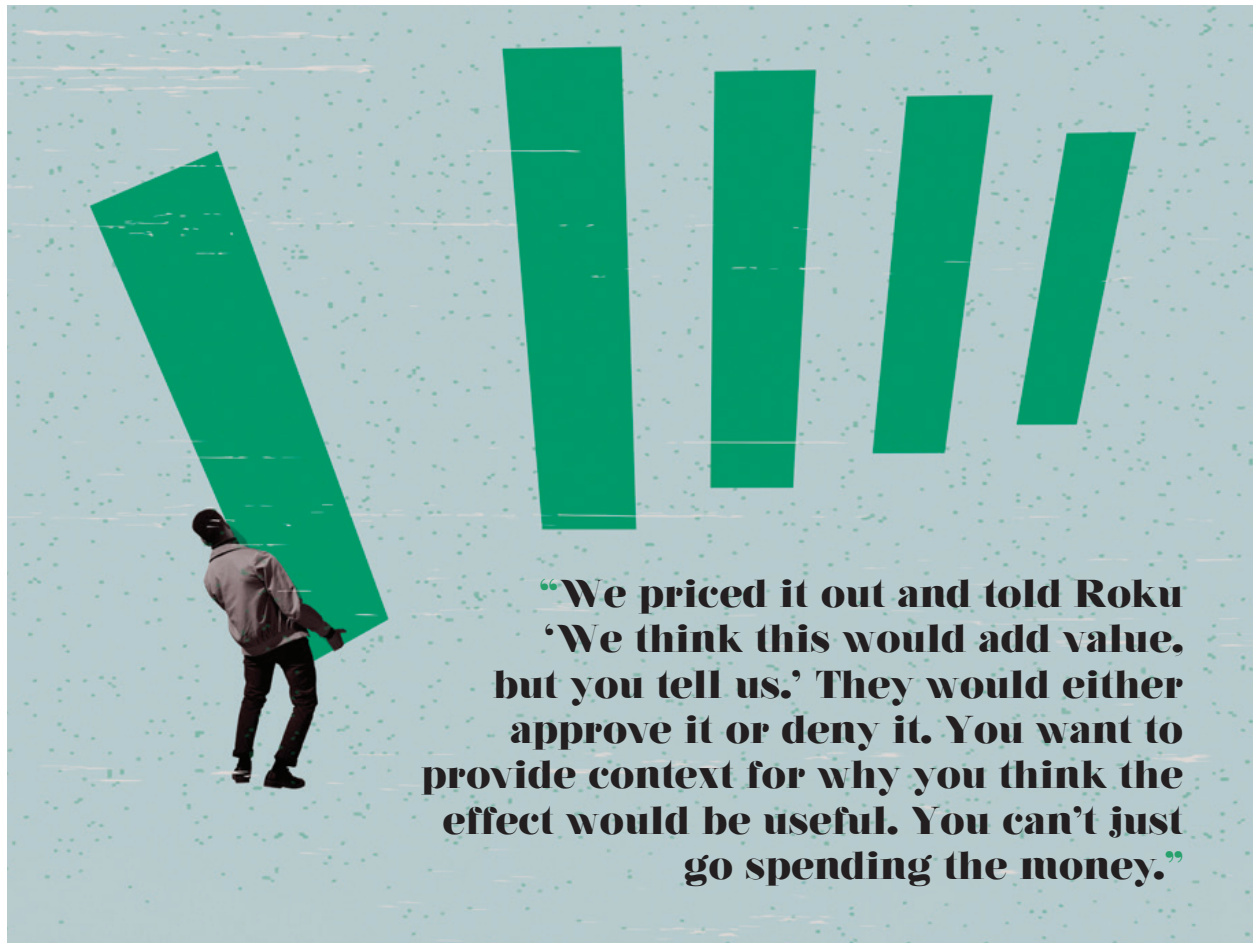


### MATTHEW GROESCH

Matthew Groesch cut his teeth in development and production at Lionsgate after starting his career at the talent management company Underground Films. He recently served as executive producer on *One of Us Is Lying* (2021–22), a teen drama based on the *New York Times* bestselling novel by Karen M. McManus.

#### WHAT'S THE BEST PIECE OF ADVICE YOU'VE EVER RECEIVED ABOUT PRODUCING?

Some early advice I got was instilling the importance of prep, and I was told how once a production gets going, it's like a train moving at full speed. There's only so much you can change at that point, and your job then is to make sure it doesn't come off the rails.



Radcliffe’s star power helped attract talent but also created scheduling challenges. Hodack says, “We had a finite amount of time with Daniel before he went on to his next project. Then he wouldn’t be available for a year and a half or two years. We had to be very strategic about how we scheduled his time because he worked 14 of the 18 shoot days. We tried to front-load his time in case there was a shutdown.”

*Weird* filmmakers originally intended to shoot in Georgia for the tax credits, Hodack says. “But as we got more into the script, there was a lot of interest from our director, Eric Appel, and from AI, to get celebrity cameos into the production. That’s hard to do if you’re in an area where celebrities don’t live.

“We’d contemplated a smaller budget for Atlanta but when Roku came on, we got a little bit of love and more flexibility

(with the budget) so we decided to move the shoot to L.A.”

From the get-go, Hodack had clear budget priorities in mind. “We knew we needed to hold a good chunk of the budget for the music because if we don’t have the songs, we don’t have a movie. So that’s the first thing we considered: Get those clearances out of the way.”

Music supervisor Suzanne Coffman negotiated the music rights. “Since we’re doing these clearances far ahead of time, we might be asking for 20 seconds of ‘My Sharona,’ for example. But in the final cut, it might be a little bit less or a little bit more. If we went a few seconds over, we were honest about it. Some (rights holders) were fine; others we gave a little more money. But people in this business love AI, so we were able to navigate what might be potentially problematic in a

way that felt pretty comfortable.”

Costume designer Wendy Benbrook and her team got into the shoestring budget spirit by sourcing many of the characters’ vintage outfits from L.A. thrift stores. Still, unanticipated expenses popped up during postproduction.

“Concert scenes are hard to do on a tight budget because you want to show their scope and scale,” Hodack says. “As we got into post, we realized we could amplify a (crowd) scene if we had a little bit more VFX money. We priced it out and told Roku, ‘We think this would add value, but you tell us.’ They would either approve it or deny it. You want to provide context for why you think the effect would be useful. You can’t just go spending the money.”

Bottom line, when it comes to bottom lines, Hodack says: “You don’t go rogue.” ■