Introduction

From one perspective, the American cultural industries might seem more vibrant than ever: countless creative laborers and companies working on all manner of cultural production, voraciously consumed, shared, and interacted with by the millions upon millions of viewers and fans that form communities and bring meaning to rich cultural worlds. More music and audiovisual stories are being produced than ever before. Digital technologies and global circulation have only increased this perception. But from another perspective—through, for instance, the window of a car driving in Los Angeles—one can see nearly all of the headquarters of the world's biggest film, television, and popular music companies by merely driving down Santa Monica Boulevard and getting on the 101 freeway. Increasingly, the power to shape global media is consolidated within just a handful of companies in each subsector, many of which are a stone's throw away from each other. While the number of media objects has increased, so have the inequalities in who profits and what kind of content circulates widely. We have more movies and songs, but we also have much bigger movies and songs, part of extensive copyright catalogs that earn wealthy shareholders billions while many independent movies and songs are rarely seen. We have more creative workers, but we have more billionaires among a sea of precarious workers not able to make ends meet.

Drive a few hundred miles north on the 101 and you can see the headquarters of Apple, Google, Facebook, and many of the other tech titans that increasingly facilitate this circulation of media. Turn onto Sand Hill Road and many of the venture capital firms that first funded them and extracted the biggest returns are neighbors. On the other side of the country, a more mercurial form of power accumulates. Though Wall Street in Lower Manhattan is the shorthand name often used for the financial sector, the action has moved to Midtown. Massive flows of financial capital originate at a single address, "arguably the most prized address in modern capitalism: 9 West 57th Street."[1] Known as "9 West," it is the current and

FIGURE 0.1. The Los Angeles headquarters of global media giants. Photos by author.

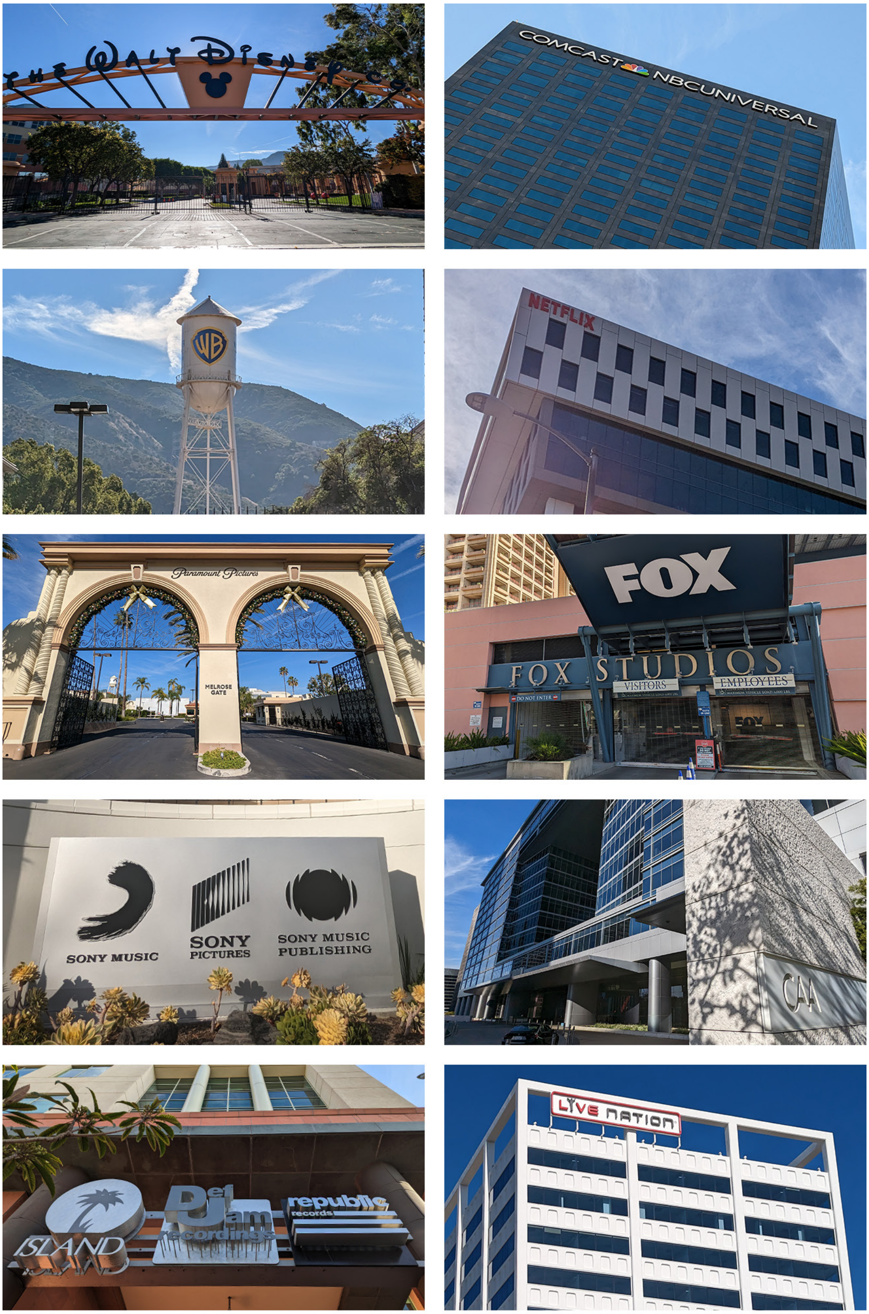


FIGURE 0.2. Media, finance, and technology companies in Los Angeles, Silicon Valley, and New York.

former home of many of the world's biggest private equity firms and hedge funds, including Kohlberg Kravis Roberts, Apollo Global Management, Silver Lake Partners, Tiger Global Management, Providence Equity Partners, and others. The ultra-luxury residential skyscrapers that dot 57th and overlook Central Park, some worth over $100 million, account for its name: Billionaires' Row, populated by hedge fund managers and chief executive officers. Bain, Blackstone, and TPG have offices around the corner. As they do in the rest of the economy, these financiers and investment firms control much of the capital that circulates through Hollywood and the music business, uniting the interests of financial capital with CEOs and boards of directors. The hollowing out of Main Street by Wall Street through financial engineering is a widely felt phenomenon, but its impact on media is rarely discussed.

This is the story of one boulevard in Los Angeles, one patch of freeway that stretches from LA County to San Francisco, one address in Manhattan, and how the cultural lifeblood of a country has been spilled on these streets by a rogues' gallery of financial villainy. The main characters are asset managers, private equity firms, corporate venture capitalists, hedge fund analysts, and derivatives traders. The weapons they use are financial instruments and strategies such as dividends, stock buybacks, diversified portfolios, management fees, index funds, tax loopholes, and futures contracts. The heroes? There are none. "The old world is dying," Italian philosopher Antonio Gramsci proclaimed. "And the new world is yet to be born. Now is the time of monsters."[2] An alternate translation of that line is "in this interregnum a great variety of morbid symptoms appear."[3] Both monster and morbid symptom, financial capital rears its ugly head.

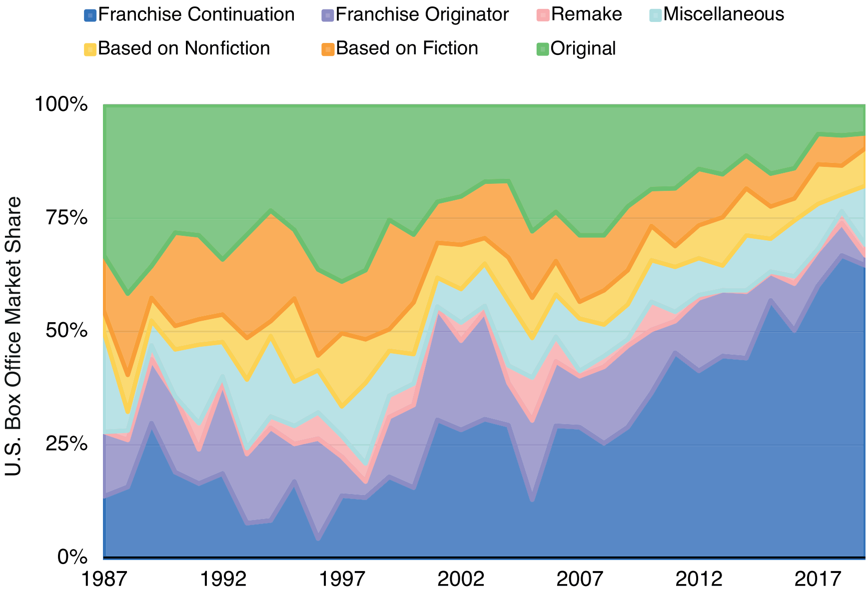
The conflict between capital and culture has been simmering for hundreds of years, and Hollywood and the popular music industries have always involved big companies that sought to commodify culture and corner the market. What's different about film, television, and music today? In a word, it's more often *derivative*. The degree to which a popular story or song is based on a previous story or song, directly or indirectly, is much higher than it was in the past. The degree to which the formal elements within a story or song are directly connected to business decisions within the company that funded that story or song is much higher. The degree to which a hit song or popular story is plundered for all its worth through derivative and ancillary products is much higher. The ratio of global hits to the rarely seen or heard is wider than ever. The disparity between the big-budget products of high-powered producers and superstar musicians and the smaller-scale, independent output of lower-wage creators has never been wider. The point is not that there was some idyllic past in which authors, artists, and creatives had more control or were paid better; comparisons of distinct cultural forms in different historical contexts is difficult, cultural systems are often dependent on formulas and assembly lines, and many were excluded from media systems of the past. The point is that a far healthier media system is possible, one in which a more diverse array of stories are told and seen, a more varied range of musicians are making songs that are widely heard, and more creative people are employed in fulfilling jobs that pay a living wage, all fostering a more critical, independent, and vital culture. And yet, the current political economy is moving in the opposite direction, producing a more poisonous, extractive media system, a "content" factory that serves the greed of the few rather than the needs and desires of the many.

There is another way in which media are increasingly *derivative*. Since the 1970s, the rise of the financial industries has reshaped the global political economy, ushering in a New Gilded Age of inequality and predatory extraction. Financial instruments, such as stock buybacks and derivatives, have reconfigured the social order in ways that are rarely seen. This has had a dramatic effect on the stories we tell and the songs we sing. To understand how culture is now managed by Wall Street, we need to situate contemporary cultural production within a longer history of capitalism and the turn toward finance. In the past twenty years, Hollywood and the music industries witnessed the entrance of unregulated, "alternative" investment firms, such as asset managers, venture capital firms, private equity firms, and hedge funds. Financialization—the growing influence of financial markets, firms, and instruments—is premised on speculative risk management, extractive logic, highly leveraged debt, and short-term profits. This book argues that financialization is transforming cultural production into a highly consolidated industry with rising inequality, further decreasing the diversity and heterogeneity it could provide the public sphere. The vast, growing inequalities of wealth, race, gender, nation, and other parameters are not just replicated in the cultural industries, but amplified in a system increasingly designed to achieve global scale and extract capital. In addition to this historical and industrial shift, a textual transformation is also evident, in which cultural products are formally structured according to financial logic. Rather than mostly singular texts that compete in a commodity-based marketplace, financialized texts become sites of capital formation where referential networks form internal economies and where their value is measured by their contribution to a corporation's intellectual property (IP) portfolio.

To describe and analyze the multifaceted phenomenon of financialized culture, this book revolves around the concept of "derivative media." Though I provide much empirical evidence, often using financial software or reports from the trade and financial presses, I am less interested in "proving" the degree of financialization in media than I am in attempting to provide a framework for understanding it. The concept of derivative media is a cluster of ideas, stories, analyses, and charts (so many charts!) that might help us grapple with this shadowy development in our culture. *Derivative media*, as I use the term throughout this book, contains six meanings:

1. **Economic**. The derivative is a financial instrument to hedge or exploit risk, which dismantles any asset into individual attributes and trades them without trading the asset itself, in financial contracts such as futures, forwards, options, swaps, and shorts. For example, farmers could insure themselves against the risk of a fall in prices by entering into contracts to sell their crops, at a predetermined price at a future date, to buyers looking to insure themselves against a rise in prices. Such contracts can themselves be sold, and price fluctuations create a market concerning the *price* of the crop, rather than the sale of the crop itself. These contracts *derive* their value from an underlying asset and can be used for insurance, but are far more likely to be used for investment in derivatives markets, which have expanded dramatically to include commodities, currencies, stocks, bonds, real estate, and more. Having become the key form of speculative capital over the past few decades, the derivative represents the byzantine nature of contemporary finance. One of the main objectives of this book is to detail the process of financialization, both in general and in the specific case of the media industries. *Derivative media*, then, in its first instance, simply refers to the many financial processes that influence the industrial organization of film, television, and music: dividends, stock buybacks, securitization, market power, asset managers, private equity, venture capital, hedge funds, and derivatives trading.
2. **Legal**. *Derivative rights* (a contractual term) are now essential to the structure of the media industries. Though by no means a new development, the degree to which popular culture "derives" new content from old has accelerated tremendously, using techniques such as franchises, remakes, reboots, sequels, adaptations, cinematic universes, references, homages, allusions, covers, features, interpolations, remixes, and samples. For instance, figure 0.3 shows the rise in franchises and adaptations in Hollywood, and the subsequent decline in original stories, over the past thirty years. As recently as 1988, more than 40 percent of theatrical U.S. box office sales were achieved with original stories; that share of the box office fell to 6 percent by 2019. Meanwhile, the establishment and continuation of franchises, which used to occupy about a quarter of the market, has since risen to occupy nearly three-quarters, with other types of adaptations accounting for most of the rest.[4] Derivative rights are highly sought after, then utilized to maximize profit: dense networks of interlinked texts are built from these licensing agreements in order to fully exploit corporate catalogs of IP. Original and independent productions struggle to compete with the scale of these networks.[5] *Derivative media*, in this second instance, refers to the increased use of legal licensing contracts that result in new content being derived from old content to increase portfolio value and decrease competition.
3. **Textual**. As a result of these two *external* factors (financial reorganization of the media industries and an increased reliance on already-established IP),

FIGURE 0.3. Originality of top 100 films by percentage of U.S. box office, 1987–2019. Data: The-numbers.com (Opus Data).



the cultural text itself has been *internally* financialized. It employs a "derivative" logic, unbundled as a distinct commodity and rebundled with financial logic as an asset class. Contemporary films, television shows, and popular songs are designed to be full of references to other media texts and brands within a monetizable catalog; they are, in effect, "securitized": pooling assets into a new financial instrument. In the short run, they can sell products and cross-promote other texts, but in the long run, the strategic goal of the biggest media companies is to maintain domination over the cultural sector through an interconnected referential economy premised on scale, monopoly, and risk aversion. *Derivative media*, in this third instance, refers to this textual quality of media in which networks of exchange are built through intertextual references.

4. **Historical**. If the economic, legal, and textual foundations of the cultural industries have shifted, then so too has its overall structure. Many of the data presented in this book chart a simple but destructive historical trend: a financial instrument or type of organization is deregulated at some point in the late twentieth century, then escalates in use over the course of the past two decades. While there is no single identifiable year or inflection point in which everything changes, there is the slow accumulation of many trends in finance that each gain power during this period. In other words, the argument here is a periodization claim. *Derivative media*, in this fourth instance, refers to a new

era for the cultural industries, starting around the late 1990s and early 2000s, when their organizational structure became predicated on financial extraction.

5. **Qualitative**. The adjective *derivative* is often used pejoratively, to judge an object as being unoriginal and thus of lesser quality. A common sentiment concerning contemporary popular culture is dissatisfaction with the predominance of endless franchise entries, repurposed beats and melodies, rebooted hits of yesteryear, comic book adaptations, and dopamine doses of nostalgia. While adaptation and transformative use of a previous work can no doubt produce meaningful cultural objects, repurposing something already successful is now the default, reducing the opportunities for experimental, radical, original, and complex work to achieve wider circulation beyond niche audiences. *Derivative media*, in this fifth instance, refers to the weakened state of creative production, its capacity to offer critique and diversity reduced as it suffers under the economic constraints of its new bosses on Wall Street.
6. **Subversive**. Creativity and critical capacity in film, television, or music are never fully subsumed by its capitalist structure; this is true even within a financialized context. In rare cases, cultural texts can be seen to critique or transcend the financialization they are subjected to, self-reflexively mapping their political economic conditions for the educational benefit of viewers and listeners. The etymology of the word *derive* originates with the diversion of water, later meaning to drift, to transmit, to trace, and to flow. Guy Debord and the Situationists had these meanings in mind when they devised the *dérive*, a strategy of rapid, disorienting excursions through urban space in order to experience its psychogeography. There is a distinct temporal and spatial drift in many contemporary cultural texts, as the demands of derivative media produce travelogs, not so much of urban space, but of networked, financialized, and intertextual time and space. The viewer or listener is given a cognitive map of corporate exploitation, both economic and textual, and its explicitness rises in tandem with its subversion. The case studies of media texts I've chosen to analyze in chapters 5–7 are emblematic of this situation: complicit, conflicted, and critical, not just crass examples of financialization. *Derivative media*, in this final instance, refers to these potentially subversive texts that comment on their own status as financialized instruments.

In short, financialization is transforming culture in many negative ways: through its material extraction of capital, reducing our cultural capacity; its legal machinations, contractually binding media companies into licensing agreements and further exploitation of IP; its textual ramifications, transforming our songs and stories into financial instruments; its historical rupture, reorganizing the structure of creative work into tradable assets; and its subjective effect, as popular culture is seen as less capable of complex art, in favor of cheap copies predicated on brand recognition and nostalgia. This book argues that financialization is a key structural force—perhaps *the* key structural force—shaping cultural production and circulation today. Contrary to the myth that finance capital merely allocates resources according to neutral market forces, this book demonstrates that finance is not efficiently allocating our cultural resources; rather, it plunders our stories, songs, and creative labor through financial engineering. Contemporary popular media texts now function as risk-hedging derivatives through which capital accumulates in diversified cultural hedge funds operated by a handful of transnational media corporations, disciplined by even bigger financial firms. The result is wider resources and thus audiences for formulaic film, television, and popular music, while more diverse and radical productions are fed through the algorithm to be financialized. Culture has a subservient role in the financial system, which sees it as merely another numerical value to trade. The stock exchange has been embedded within the media text. This financialized media system generates inequality, both material and cultural, through labor suppression and upward redistribution of wealth. We need critical financial literacy to understand this shift in the organization of culture if there is to be any chance of reversing its decline. The old models of ownership and management are outdated; the flows of finance are now dominant, but remain in the shadows. Financialization is a little-understood, profoundly transformative, and fundamentally destructive force within the cultural industries.

DERIVATIVE MEDIA MATTERS: HISTORICAL AND CONCEPTUAL BACKGROUND

In an era plagued by crisis—climate collapse, worsening inequality, authoritarianism and imperialism on the march, unending racialized and gendered injustice, a lingering pandemic—it might seem trivial to spend an entire book bemoaning the state of entertainment and popular culture. Are movies and TV shows and pop songs that important to our deepening, interrelated crises? Indeed, media *matters* for a number of reasons: it shapes and circulates values, it represents communities and experiences, it offers pleasures and connections, it educates and informs, it persuades and misinforms, it shapes identities and discourses, it creates and expresses. For these reasons and more, the *matter* of media has long been a topic of study. How is it made? How does it circulate? How does it generate meaning? How is it received? What are the institutions, organizations, and policies that shape it? What even is the *it* here? And how do we study it?

The word *media* is merely the plural of *medium*; it can refer to any form of communication or intermediary, and there is a broad category of scholarship we call "media studies." Each major communication form, such as news, books, music, television, and film, is its own field, with multiple subfields. Working across communication forms yields terms like *mass media*, which emphasizes the opportunity for control inherent in the mass distribution of information and symbols; *entertainment*, which is used when pleasure and diversion are foregrounded in the cultural object itself; or *popular culture*, which is more social and discursive, oriented around cultural objects that have reached a certain degree of wide circulation. *Culture*, another word with many meanings, can be used in a similar way as *media*, though it may include more ephemeral connotations such as "values," "beliefs," "behaviors," and "practices." Or it may include cultural forms such as dance, religion, cuisine, and others we wouldn't necessarily associate with mass media. But culture in all its forms is often shaped and circulated *through* media. The term *cultural industries* foregrounds the capitalist mode of production that is fundamental to how contemporary culture is usually organized, especially in capitalist nations. With the rise of digital media, particularly video gaming, social media, and short-form video, which tend to be strongly associated with the technology or platform they are engaged through, the term *legacy media* is now used to categorize predigital forms such as news, books, music, television, and film, despite their reinvention in the digital era.

This is all to say that definitions and categories matter when discussing something as complex as media, and this book touches on all the aforementioned categories.[6] Its focus is the "cultural industries," primarily film, television, and popular music. My understanding of these industries is informed by two fields of study: political economy of media and cultural studies. The former is more oriented toward organizational structures and broad social relations, while the latter often focuses on the text, the audience, and the rich affordances of both, especially when they interact. Both are interested in power, but political economy of media conceives of power in its material, hierarchical form, while cultural studies sees power as fluid and contingent and potentially immaterial. The differing opinions of these two camps led to tense debates in the 1990s, at least by academic standards.[7] Despite the divide being almost thirty years old and long since settled, the debate remains foundational in terms of setting the stage for researching culture under capitalism. Efforts to bridge the divide have been common. Prominent early media scholars drew on both political economy of media and cultural studies,[8] as has the best work since, and I draw from both here as well. Perhaps the most practical approach to this divide now is to consider it a productive friction, in which the critical strengths of each side can enrich the other when put into conversation. Though it may be a tired debate to researchers, I believe it's worth maintaining as a clarifying framework for students, fans, and especially creative workers, who directly experience the uneasy, forever-conflicted relationship between system and agency, profit and artistry, hierarchy and collectivity.

The political economy of media approach is my primary influence, as it concerns itself with the relationship between media and the broader social structure of society.[9] How does the capitalist system, driven as it is now by the appetites of financial capital, shape the media system as a whole? This is a question rarely asked directly within media studies. Robert McChesney once decried the "sad state of political economy" in U.S. media studies, and claimed that scholars had made a "molehill out of a mountain."[10] We'd taken the mountainous problem of media ownership and capitalist culture and dismissed it as inessential, or insurmountable, in a digital world full of subversive texts, active fans, resistant practices, and global circulation. "It strikes me as highly questionable," McChesney suggested, "not to have a working knowledge of political economy, of how capitalism works, of how democracy functions in a materialist and institutional sense."[11]

Political economy of media, by contrast, has typically examined the ownership and organization of media. There is no shortage of looming mountains to analyze today, all of which have consolidated and now dominate the U.S. (and often global) market: four tech companies (Alphabet/Google, Apple, Amazon, Meta/Facebook), five film/television companies (Disney, Netflix, Comcast/NBCUniversal, Sony, Warner), three theater chains (AMC, Cineworld, Cinemark), three recorded-music companies (Universal Music Group, Warner Music Group, Sony), three streaming music services (Spotify, Apple, Amazon), three radio groups (iHeartMedia, Audacy, Cumulus), three talent agencies (Endeavor, Creative Artists Agency, United Talent Agency), three wireless carriers (AT&T, Verizon, T-Mobile), two cable companies (Comcast and Charter), and one music conglomerate (Liberty Media) that controls the biggest satellite radio company (SiriusXM), the biggest digital radio service (Pandora), and the biggest live-music, venue, ticket-sales, and artist-management firm (Live Nation/Ticketmaster). But even political economy of media has had little to say about the effects of finance and investment on this consolidated structure, resulting in an incomplete understanding of "how capitalism works."[12] I would add to McChesney's concern a question: Is it even the correct mountain that we've made into a molehill? We need to give greater focus to control and structure in the media, yes, but also refocus on the true lever of power in contemporary capitalism: financial capital.

The field of political economy of media also has its drawbacks that should be avoided, such as grand, sometimes overly generalizing claims (guilty as charged) or a failure to allow for the richness of creative expression, even within highly constrained capitalist contexts. Much work in political economy of media gets too far away from the media object itself. In this book, I make a point of never straying too far from the things that motivated this study to begin with: the movies, the television shows, and the popular songs that are so meaningful to us. Cultural studies helps alleviate this problem, with its focus on the diversity of human culture, subjectivity, language, and creative expression. Coming from film studies myself, and heavily influenced by cultural studies, I believe that the power of the text and the audience are not to be underestimated. No matter how oppressive the political and economic constraints in any media system, creative artists find ways to express, to criticize, to inspire, to provoke—and, above all, to generate meaning in many different ways and in many different contexts. For this reason, media texts populate this study and I wrestle with how finance has changed the form, content, and style of our film, television, and popular music throughout the book.

An essential formal aspect analyzed in cultural studies, originating in linguistics and literary theory, is intertextuality, the concept that any individual text (anything that conveys a set of meanings—such as an image, novel, film, or advertisement) is inherently composed of other texts by the way it refers and relates to numerous other texts, whether intentionally or not. For philosopher Julia Kristeva, who coined the term *intertextuality*, "any text is constructed as a mosaic of quotations; any text is the absorption and transformation of another."[13] Similarly, her contemporary Roland Barthes proclaimed that "the text is a tissue of quotations drawn from the innumerable centres of culture."[14] Kristeva and Barthes were primarily concerned with literature; in our digital world of constant textual bombardment, the quotations we experience are often paid brand relationships and the mosaic is a synergistic corporate strategy for managing IP. Intertextuality may have been theorized as a linguistic and literary phenomenon, but the term's contemporary usage is overwhelmingly material, even financial. It's no longer just MFAs and their cultural studies that deal in intertextuality, it's also MBAs and their financial feasibility studies. Intertextuality and financialization make strange bedfellows, their effects difficult to untangle and study. But understanding how a cultural text creates meaning increasingly necessitates an understanding of its political economy, as financial logic is so deeply embedded within so many fibers of its construction and circulation.

In a culture highly curtailed by financial capital and wealth inequality, there is less room for successful political struggle in the cultural realm. The ongoing catastrophe of climate collapse only further accentuates our urgent need to reconsider the structure of cultural production, including our core frameworks. Raymond Williams, one of the inaugurators of cultural studies, sought to develop "a new general theory of culture" by mapping the historical shifts in "industry, democracy, class, art and culture," as well as our "social, political and economic institutions."[15] This is the kind of ambitious political economic and cultural framework that motivates the present study.

Another framework worth revisiting is that of Theodor Adorno and Max Horkheimer's book chapter "The Culture Industry: Enlightenment as Mass Deception." First published in 1944, this foundational text (for both political economy of media and cultural studies) argues that the mass production of culture results in homogeneity, docility, deception, and capitalist control. "It is the coercive nature of society alienated from itself," Adorno and Horkheimer write. "Automobiles, bombs, and movies keep the whole thing together."[16] When culture is commodified, they argue, art is no longer capable of critique or radical imagination. This is a deeply pessimistic view of mass popular culture and entertainment as exploitation. In the "mass culture debate" that followed, some scholars advocated on behalf of an individual's ability to negotiate their relationship to mass culture—and even to produce or use popular culture to resist or subvert the hegemonic order. The Culture Industry framework is now typically presented with a caveat: it's elitist because it decries "mass culture" in favor of "highbrow" art forms, denying the possible richness of "low culture" objects like film and popular music. Postmodernists went far in the opposite direction of the Culture Industry, arguing that language and the new "media culture" were cut free from dominant ideologies; meaning was now unfixed and endlessly malleable, images were now free-floating signifiers and continuously flowing.[17] Intertextuality, for postmodernists, was a game of play, signifying "a hyperawareness on the part of the text itself of its cultural status, function, and history, as well as of the conditions of its circulation and reception."[18]

I believe it's worth returning to Adorno and Horkheimer's "The Culture Industry" with specific attention to the political economic context of its publication. Adorno and Horkheimer came of age during a time of deep economic inequality, monopoly capitalism, and global war. Having fled the Nazis for the United States, they arrived to Fordist assembly lines and vertically integrated film studios in Hollywood, a different kind of domination. Their vision of capitalist culture and power befitted their time. In subsequent years, postwar prosperity led to waves of innovative, occasionally radical popular culture and a field of cultural studies less haunted by the base constraints Adorno and Horkheimer saw all around them. Plotted along the U-shaped chart of the past century's economic inequality, the Culture Industry was born in the first peak, cultural studies was born in the fertile valley, and we find ourselves on the second peak, again perched atop a daunting level of inequality and cultural power held in the hands of the few. *Derivative Media* is indebted to the Culture Industry model, but with financialization instead of Fordism, empiricism instead of elitism.

However, the Culture Industry framework can only go so far, as much has changed in both capitalism generally and the media system specifically. The subfield of "media industry studies," which arose following the financial crisis in 2007–8 and aimed to bridge the gap between political economy and cultural studies, provides a novel perspective. For Jennifer Holt and Alisa Perren, "culture and cultural production" are perceived "as sites of struggle, contestation, and negotiation between a broad range of stakeholders."[19] Drawing on a diverse array of disciplinary influences (sociology, anthropology, media economics, industrial analysis, political economy, cultural studies, film and television studies, and cultural policy studies), Holt and Perren's *Media Industries: History, Theory, and Method* sought to produce "integrated analyses of media texts, audiences, histories, and culture."[20] Timothy Havens, Amanda Lotz, and Serra Tinic outlined a similar approach in their article "Critical Media Industry Studies: A Research Approach," later developing an "industrialization of culture" framework that details the three levels of influence through which media industries operate: mandates, conditions, and practices.[21] Havens and company reject the “reductionist tendency” of political economy and its “economic overdetermination at the macrolevel of analysis,” instead favoring the detailed view from a “helicopter” rather than the reductive view from a “jet plane.”[22]

Indeed, useful insights can be gathered at the meso-level, but what about incorporating multiple viewpoints? Not only a helicopter and a jet plane, but a satellite and a microscope too. Pardon the mixed metaphor, but a movie would be quite boring if it was filmed entirely at a medium shot. Close-ups and wide shots are needed too, as are different angles and oscillations between them all. *Derivative Media*, with its macroeconomic and empirical analysis of financial capital over many decades, offers an extreme wide shot rarely seen in media industry studies. Using databases of intertextuality, it also offers a montage of extreme close-ups on the textual aspects of financialized media. From the $0.00348 a musician is paid per stream[23] to the $1,200,000,000,000,000 (that’s 1.2 *quad*rillion dollars) of the financial derivatives market,[24] the media industries oscillate at a scale of eighteen orders of magnitude. Many perspectives and methods are needed.

Another focal point for this study is labor, a pivotal location for merging political economy and cultural studies. The scholars in the anthology *Production Studies: Cultural Studies of Media Industries* provide another method for thinking about media beyond traditional distinctions.[25] By looking at the “cultural practices of media production,” these authors study material and cultural aspects from the bottom up, exploring workers in their organizations, informal networks, and self-representations. The increasingly precarious conditions and creative constraints faced by workers is a recurring topic of study.[26] *Derivative Media* complements this approach with its top-down perspective that shows how media labor conditions are heavily shaped by abstract financial processes. Production cultures are increasingly constrained by extraction cultures.

Scholarship on music also struggles with reconciling contemporary capitalism’s effects on the industry of music. “Since Adorno’s pioneering work in the middle of the twentieth century,” Tim Taylor laments, “there has been little advancement in thinking about music and capitalism. There have been virtually no thoroughgoing studies of the production and consumption of music that engage substantively with major theories of today’s capitalism.”[27] Though Taylor’s study provides a valuable, comprehensive analysis of certain features (neoliberalism, globalization, and digitalization) of music’s relationship to capitalism, it can be extended by analyzing the importance of finance and the impact of financial firms. As with film and television, the ability to understand the music industry depends on an ability to understand the finance industry. Much of the research on cultural industries is limited by an outdated conception of the production process that views culture as a negotiation between powerful, profit-based firms and the creatives who struggle within that system. The perspectives of financial capitalism, platform capitalism,[28] and racial capitalism[29] provide greater insights into the contemporary circulation of financialized, networked texts that operate under rentier logic, premised on market power.

A BRIEF NOTE ON METHOD, ACCESS, AND AUDIENCE

Though political economy of media and cultural studies both loom large in this project, the book's origin lies in ethnographic fieldwork. While writing my dissertation at UCLA, on what was originally a different topic, I attended many film and television industry conferences and would occasionally notice a panel of investors talking about how projects were increasingly being funded through financial means outside of the traditional system. I spoke with some of these investment bankers and venture capitalists, started looking into these companies, and decided to reorient my project around this rabbit hole I had fallen into. During the eight years I lived in Los Angeles, I spoke with many creative workers, producers, and executives, connected to me through UCLA or through my partner, a film and television costumer and International Alliance of Theatrical Stage Employees (IATSE) union member. Though excerpts from these interviews with Los Angeles creative and financial personnel appear sparingly throughout the book, they are a key component of my research methods.

The second and primary component of my method is research techniques associated with the political economy of media. I draw from the financial and trade press (*Bloomberg Businessweek*, the *Wall Street Journal*, *Financial Times, Variety, Billboard*), consult financial statements (such as company 10-K forms), and gather data from online financial databases. An essential piece of software I use is Refinitiv Workspace (currently being rebranded as LSEG Workspace), which is designed for investment bankers to access financial markets data such as real-time stock prices, market trends, annual reports, and SEC filings. It is owned by the London Stock Exchange Group (which also owns the globally influential stock exchange in its name), and is, according to Sarah Lamdan, a key "data cartel" of financial information along with Bloomberg and LexisNexis.[30] Access to this software is prohibitively expensive and I am fortunate that the UCSD library maintains a subscription, allowing me to gather historical data on mergers, acquisitions, asset managers, hedge funds, stock buybacks, executive compensation, derivatives, and other metrics that have been elusive to many researchers of the media industries. Primarily, I use Refinitiv to look at aggregated data from financial summaries, income statements, balance sheets, cash flow statements, and proxy statements from thirty-five key media, telecommunication, and technology companies in the United States.[31] Between these datasets that I have compiled myself, as well as some that I've borrowed from others,[32] I provide much empirical data to supplement the histories I write of the political economy of the United States (chapter 1), the rise of financial capital in the cultural industries (chapter 2), the financialization of the music industry (chapter 3), and the financialization of film and television (chapter 4). These chapters are influenced by work in the Marxist critique of political economy, as well as heterodox economics. The formal and interpretative implications that financialization has on cultural texts is explored in chapters 5–7 through three representative case studies, analyzed with the assistance of data mining and data visualization. These methods are influenced by the digital humanities and the subfield of cultural analytics.

Temporally, this book focuses on the new century, from 1999 to 2023. The period begins with the repeal of Glass-Steagall and its financial deregulation, the dot-com crash and its birthing of Big Tech, and massive media mergers involving Viacom, TimeWarner, Clear Channel, and Vivendi. Twenty years of financial extraction and media consolidation later, we arrive in 2020 with four tech giants valued at over a trillion dollars each; a clear pivot to streaming media amid more mergers involving Disney, Fox, and Warner; and the COVID-19 pandemic's dramatic exposure of inequality. At this point, the fact of a New Gilded Age is unavoidable, yet the role of the cultural industries in this inequality is obscured. Though historical antecedents are described—including the broad context of capitalism, particularly its financial, neoliberal alteration in the 1970s and 1980s—this limited scope allows for a detailed cultural, technological, and economic history of the present.

Spatially, this project focuses on the relationship between American financial firms (primarily based in New York City) and the American film, television, and popular music industries (primarily based in Los Angeles). Worldwide, the United States is hegemonic in both of these sectors, with its media, tech, and financial firms expanding across the globe. The transformation occurring here is trickling down to other countries, just as the privatization of American media spread to other nations, eroding their public media systems. The degree to which the United States dominates the global media system is another long-simmering academic debate, with warnings of media imperialism tempered by defenses of transcultural globalization.[33] Though some important international connections are made here, a wider, transnational analysis is outside the scope of this project. In particular, the influence and power of Chinese, Korean, Japanese, and Indian media giants is an important development, one on which I defer to the experts.[34]

Topically, this book looks at film, television, and music specifically, though it gestures toward other forms of media and its lessons are applicable to other aspects of the cultural industries. The subtitle of the book suggests that financialization is occurring across all of the cultural industries, in addition to "legacy media," just as it is occurring to varying degrees across nearly all aspects of capitalist societies. The music industry is the most financialized, as detailed in chapter 3. Hollywood is not far behind, as seen in chapter 4. Though not covered in this book, journalism and newspapers have been subject to predatory financial extraction, particularly from hedge funds,[35] as has contemporary art,[36] video games,[37] and social media.[38]

A full history of the financialization of all cultural industries is a potential future project. A sequel, after all, would be a fitting outcome.

The audience for this book is not just my colleagues who study and teach about the media as I do, or our students who want to learn how their media is made and who might want to work in these industries one day. This book is also for workers in the cultural industries, especially those who are working long hours for little money and with limited creative autonomy. This book is for policymakers who might want to help shape a healthier media system. This book is for fans of popular culture who are dismayed at the way things are run and the way fans are often treated as mere consumers, rather than as participants in cultural communities. This book is for anyone who cares deeply about the media.

In direct contrast with the financial system, which is driven by opacity, elitism, trade secrets, and asymmetrical access to information, *Derivative Media* is designed with the principles of transparency and accessibility. Thanks to the fine folks at UC Press, it is available both in print, for a fee, and online, for free (open access). When possible, the empirical data used in the book are also available online and can be accessed (and ideally reused) through my website (andrewdewaard.com) and UC San Diego's Media And Consolidation Research Organization (MACRO) Lab, at macrolab.ucsd.edu. I hope to update and expand the data as much as I can. Financial jargon is needlessly complicated, so I've written the book in an accessible, explanatory tone, with key terms defined in the text and in the glossary, for easy reference. Notes, in addition to providing citations for quotes and data, are also used to provide readers with further nuance, added context, links to resources, gestures of gratitude, and reading recommendations. Financial history is not always a thrilling read, so I've peppered the text with media references, jokes, and ridiculous stories of the ruling class. It is my belief that the financial sector is not nearly as sophisticated, necessary, or beneficial as it would have us believe; the mechanisms of wealth extraction are actually quite simple, and a healthy dose of disrespect is well earned.

THE BOOK IN BRIEF

The book has two sections: the first four chapters explore the effects of finance on the media industries, and the last three analyze the effects of finance on media texts. Our story begins in chapter 1, "A Brief, Illustrated History of the Current U.S. Political Economy," which provides context for understanding the era of derivative media. First, it establishes that debt and credit have been intertwined within many human societies for thousands of years and that finance rises in importance in a cyclical fashion. Understanding its influence requires us to dispense with the myth of efficient markets; instead, an analysis of power, politics, and hierarchy is essential, for both capitalism as a system and media within it. Using a variety of charts that document long-term trends in political economy, this chapter also provides a concise history of the current crisis in capitalism, particularly within the United States, in which financial power is on the rise while growth and profitability are in decline. The cultural industries are being reshaped by this "long downturn."

Chapter 2, "Derivative Media and the Tools of Financialization," schematically analyzes the many forms of financial capital and their relation to the media industries. It aims to equip the reader with the critical financial literacy necessary to understand this seemingly complex world. It provides a framework for thinking about media's relationship to financial capitalism by defining key financial instruments, such as stocks, dividends, buybacks, securities, and derivatives, as well as so-called "alternative asset classes" and "shadow banks," such as asset managers, private equity, venture capital, and hedge funds. These types of firms are directly reconfiguring media companies, yet are widely unknown or misunderstood; they need to be taken out of the shadows. The final section of this chapter describes the significance of the derivative and how it can be used to conceptualize the circulation of media products in a financialized cultural economy. The multiple meanings of the title *Derivative Media* are visible here: the derivative as financial instrument, legal contract, and intertextual influence; financialization not just of the industry, but of the cultural text as well; and the multiple dimensions of inequality that such a system produces and reproduces.

Chapter 3, "The Financialization of Music," provides a political economy of the U.S. music industries that focuses on the recent history of finance. Private equity is a destructive force in the music industries, as seen for example in the takeover of Warner Music Group by Bain, THL, and Providence in 2004. In the intervening years, EMI, Clear Channel (now called iHeartMedia), Cumulus, and other music companies were also subjected to acquisition by private equity, resulting in massive layoffs, debt, homogenization, and profit extraction. Though piracy is often considered the determining factor for the revenue losses in the music industry during this period, I argue that financialization is the true culprit, as Wall Street plundered the vulnerable record labels and radio companies. Once streaming became the technology of choice for listening to music, a much-consolidated industry was able to reassert its dominance by leveraging access to its back catalog of recorded music in exchange for the vast majority of revenue from streaming services, as well as stock equity. Furthermore, corporate venture capital is now a key strategy of the music conglomerates, which do not need to share these revenues with the musicians who create the value of the company. With a renewed potential for profit in the streaming era, the music industries are subject to new financial predations, such as those by investment firms like Hipgnosis, Round Hill, Shamrock, and other "song management" firms that have turned music catalogs and publishing rights into an asset class. The effects of this financialization on the production and circulation of music are the same as they are in the wider American economy: a corrupt infrastructure, a plutocratic ruling class, a growing precarity for workers, and vast inequality.

Chapter 4, "The Financialization of Hollywood," documents finance in the film and television industries, starting with Hollywood's recent labor actions. Private equity is again a destructive force, starting with Providence and TPG's takeover of MGM in 2004; by 2020, Amazon would acquire MGM, a shadow of its former self. During the same period, a multitude of film and television companies were the victims of private equity plunder, such as Nielsen, Univision, CAA, WME, and others. The result is similar to what we've seen in the music industry: layoffs, debt, homogenization, and profit extraction. Hollywood's two most powerful talent agencies are of particular concern in this chapter, and I argue that their new owners, the private equity firms TPG and Silver Lake, have created "shadow studios," vertically integrating financing, investment, production, distribution, talent, and data. Financialization is documented in other areas of the industry as well, including "slate financing" (investing in a series of films), "intellectual property asset portfolios" (film and television libraries), and "billionaire boutiques" (production companies funded by the wealthy that specialize in award-seeking indie and arthouse fare). Hollywood has been restructured many times over the past century, with ebbs and flows of cultural diversity and vitality. The current age of streaming and increased production may appear dynamic at first glance, but I argue that finance has facilitated a new wave of consolidation, power, and reduced capacity.

Chapter 5, "Derivative Music and Speculative Hip Hop," shifts to textual analysis in order to analyze the impact this financialization has on the formal characteristics of culture produced in this era. The first of three case studies is hip hop, a once radical form that has become the quintessential cultural product of the financial era: entrepreneurial, speculative, referential, intermedial, and derivative, in many senses of the word. I demonstrate this through a political economic analysis of hip hop's ownership structure, followed by a quantitative and visualized analysis of references within lyrics, both cultural and branded. The career and media texts of Jay-Z are illustrative of the subversive opportunities as well as the limits of producing lyrically dense, economically conscious texts.

The second case study moves to television, looking at reflexive comedies and their referential complexity in chapter 6, "Derivative Television and Securitized Sitcoms." Using data visualization techniques to catalog the nearly three thousand references made in *30 Rock*, among other examples, this case study looks at the formal and financial dimensions of the political economy of intertextuality, in which texts are constantly communicating with other texts, exchanging capital both economic and cultural. I propose the analytic method of mise-en-synergy, a schematic and quantitative approach to the vast, multi-platform, intertextual components that contemporary cultural texts comprise. The consideration of *30 Rock* with this method demonstrates that there is an economic dimension to intertextuality: all references are rendered a fungible asset, an interchangeable good that can be leveraged and securitized. Intertextuality becomes a repository of value that can be exploited through speculative action.

Chapter 7, "Derivative Film and Brandscape Blockbusters," contains the final case study, in which I analyze a series of blockbuster films for their inadvertently chilling depictions of a corporate dystopia: our own. The first two case studies analyze derivative texts at the level of the lyric and the scene, respectively, but here, the level of analysis is the storyworld. In franchise films like *Who Framed Roger Rabbit*, *Space Jam*, *The Matrix*, *Ready Player One*, *The Lego Movie*, and *Wreck-It Ralph*, narrative and character are largely set aside. Instead, worldbuilding is privileged, and franchise aspirations, licensing contracts, and IP management are given precedence. The storyworlds of these "brandscape blockbusters" are assembled out of dozens, even hundreds, of licensing agreements that patch together pop culture references and paid promotions into a quilt of references, brands, and nostalgia. The audience experiences a sort of road movie through a futuristic brandscape, but these films achieve an odd sense of realism unseen in other forms. Ours is a time of unending brand assault, with advertisers offered entrance to so many aspects of our lives. Stories often offer us escape, whereas these films confront us with the endgame of allowing corporate interests to fully determine our shared culture. Licensing given life and merchandising made material, derivative film presages the dystopian virtual reality, metaverse, and artificial intelligence systems that are now being offered by Silicon Valley.

The conclusion of the book considers possible avenues of resistance to the financialization of the cultural industries. The key insight is that financial reform is also media reform—popular, actionable legislative changes to taxes, capital gains, carried interest, antitrust, and executive pay could reform the financial and corporate sector, which would have the effect of reforming the media sector. Rather than channel massive profits to the wealthy, the cultural industries could provide a living wage to hundreds of thousands of workers. With this diversity and decentralization, there would likely be far more stories and songs that speak to the pressing issues of climate, racialization, inequalities, injustice, and democratic decline. Attracting public attention to financial reform is difficult, as it lacks the allure and urgency of other hot-button issues. However, financialization is at the root of many of our most pressing social issues; connecting finance to culture is an opportunity to both concretize its dangers and imagine a more sustainable alternative. As media scholars, workers, and citizens, we need critical financial literacy to comprehend and advocate these reforms and imagine more radical, just futures.