



ANALYSIS OF THE ECONOMIC BENEFIT TO THE CITY OF AUSTIN FROM SXSW 2019

SXSW Conference & Festivals / SXSW EDU Conference & Festival

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EXECUTIVE SUMMARY

Each March, SXSW's unparalleled mix of industry conferences, festivals and exhibitions attracts the world's creative thought leaders to Austin. The gathering transforms the city into a global mecca for creative professionals and further reinforces Austin's well-deserved reputation as a community where innovation and commerce are nurtured, networked and celebrated. In addition to contributing to Austin's cultural cachet, SXSW injects hundreds of millions of dollars into the local economy. 2019 was no exception. In fact, the 2019 SXSW Conference and Festivals delivered the greatest economic impact to Austin, Texas's businesses and residents in its 33-year history. Total attendance at all official SXSW events surpassed 280,000, and **SXSW's 2019 economic impact on the Austin economy totaled \$355.9 million.**

SXSW provides a broad array of diverse, creative professionals an unequalled opportunity to come together and exchange ideas. 2019 maintained this rich tradition, with SXSW's convergence of entertainment, culture and technology accessible across two-dozen tracks of programming. Keynote addresses from marketing executive Bozoma Saint John, director and actress Olivia Wilde, film producer Jeffrey Katzenberg and business executive Meg Whitman further underscored SXSW's singular ability to bring together the world's most visionary talent.

Participants in the SXSW Conference & Festivals can be identified as three distinct types – Credentialed & Official Participants, Single Admission Participants and Guest Pass & Consumer Participants. All of these SXSW Participants introduce and circulate money in the local economy.

ATTENDANCE IMPACT \$182.1 MILLION

SXSW Credentialed & Official Participants include conference and festival badge and wristband holders from five industries: Interactive, Film, and Music as well as Education (EDU) and Gaming. Lured by SXSW's unrivaled ability to bring together industry leaders from across the globe, Credentialed & Official Participants are overwhelmingly working professionals from outside Austin. The Official Attendance Impact encompasses the direct, indirect, and induced local economic benefit of all attendees of the conference and festival, including official SXSW badgeholders, industry professionals, and wristband holders, festival exhibitors, and single visitors of events such as film screenings and music showcases.

OPERATIONAL IMPACT \$157.1 MILLION

Although SXSW is most visible during March, producing such a large-scale event requires significant year-round staffing and infrastructure.

The operational impact includes the direct, indirect, and induced local economic benefit of the year-round operations of SXSW and event-specific expenditures by SXSW and official sponsors.

SXSW CONSUMER IMPACT \$16.7 MILLION

As the general public becomes increasingly aware of SXSW and its events, they've attended SXSW in increasing numbers. Unlike Credentialed Participants, consumers participating in free events during SXSW are typically entertainment-oriented and Texas-based. Such visitors individually spend less money than their Credentialed Participant counterparts, but collectively they represent a significant level of economic activity. The SXSW Guest Pass & Consumer Participant impact includes direct, indirect, and induced spending by individuals that participated in free-to-the-public consumer events during SXSW 2019.

Now in its 33rd year, SXSW started as a small, local music conference and festival and has mushroomed into one of the biggest and most influential gatherings on the planet."

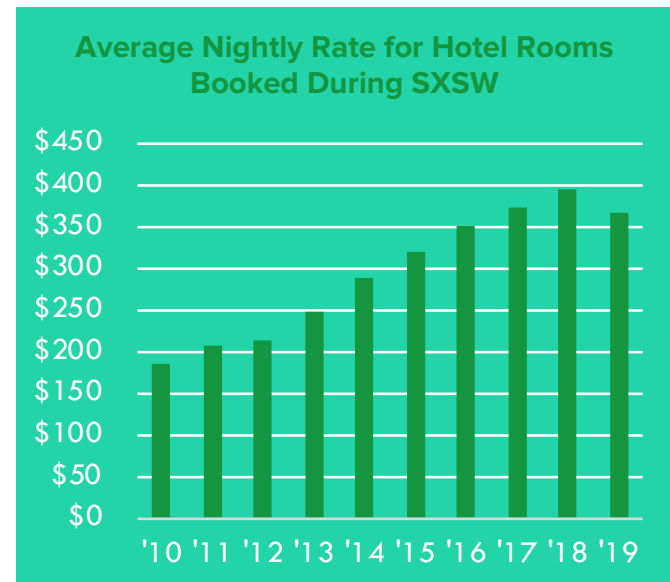
USA Today

SXSW BY THE NUMBERS



SXSW remains the single most profitable event for the City of Austin’s hospitality industry:

- The 2019 events kicked off with SXSW EDU on March 4th and continued through March 17th with the SXSW Conference & Festivals and SXSW Gaming.
- In 2019, SXSW directly booked more than 12,800 individual hotel reservations totaling nearly 55,300 room nights for SXSW and SXSW EDU participants. Direct bookings by SXSW alone generated nearly \$1.9 million in hotel occupancy tax revenues for the City of Austin. [Underlined text updated 11/20/2019 to incorporate SXSW EDU 2019 hotel reservation information.]
- **After nearly a decade of uninterrupted price increases, the average nightly hotel rate for SXSW-booked rooms in 2019 fell to approximately \$365, a 6% decline relative to the previous year.** The imminent opening of several new hotels will provide future attendees with an even wider range of options and continue the welcome downward trend in lodging costs.
- **The average length of stay for all SXSW registrants in 2019 exceeded 5 nights.** Historically, extremely high housing costs have precluded gains in the average length of stay among registrants. This year, however, a small decline in average hotel rates contributed to extended visits to Austin by SXSW registrants and attendees.



“Whether it’s taking their musical career to the next level, selling their film or launching the next big tech idea, the 10-day event in Austin, Texas, is a chance for those in the creative industries to showcase their talents.”

BBC Scotland

SXSW ECONOMIC IMPACT

WHERE DOES THE MONEY COME FROM?

**SXSW OPERATIONAL
IMPACT \$157.1M**

The scale and complexity of SXSW requires year-round operations. SXSW maintains a sizable staff of full-time, temporary, and seasonal workers.

**SXSW ATTENDANCE
IMPACT \$182.1M**

The SXSW Official attendance impact includes expenditures by SXSW Credentialed Participants and Single Ticket Holders at all SXSW events.

**SXSW CONSUMER
IMPACT
\$16.7M**

The consumer impact includes expenditures by SXSW Guest Pass & Consumer Participants as well as official parties.

**SXSW
2019**

TOTAL IMPACT = \$355.9 MILLION

**DIRECT
IMPACT
\$243.6M**

Direct economic impacts include expenditures directly injected into the local economy by SXSW, official sponsors, event attendees, and exhibitors. A direct economic impact attributable to SXSW, for example, might include revenues from a catering company servicing SXSW events.

INDIRECT IMPACT \$62.3M

Indirect effects include increases in sales, income, and jobs associated with companies that benefit from SXSW expenditures. Increased revenue of a food distribution company that supplies products to SXSW's caterer would be an indirect impact.

**INDUCED
IMPACT
\$50.0M**

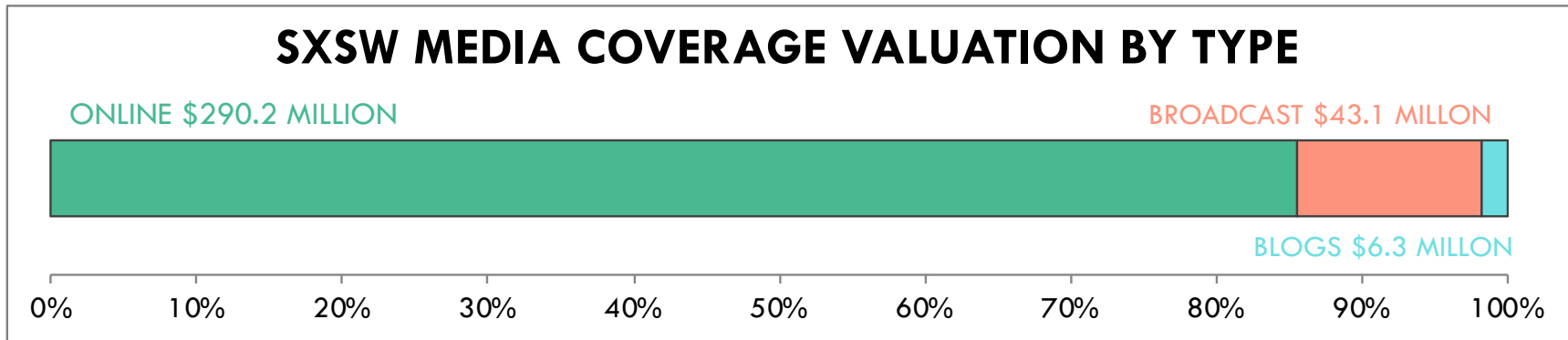
Induced effects attributable to SXSW include spending by individuals who experience increased earnings as a result of the festival and conference. Groceries and other goods and services purchased by a catering company employee with the earnings from SXSW are representative of induced impacts.

HOW THE MONEY ENTERS THE ECONOMY

SXSW MEDIA VALUATION

In 2019 the value of SXSW print, broadcast and online publications coverage totaled \$339.6 million.

Each March, SXSW broadcasts Austin's idiosyncratic identity to millions of creative professionals throughout the world. The extensive global media coverage generated by SXSW represents an extraordinary return on the City of Austin's comparatively modest investment in the event. Austin is known worldwide as a community that embraces both creativity and commerce. As the BBC observed during SXSW this past year, "the 10-day event in Austin, Texas, is a chance for those in the creative industries to showcase their talents." SXSW has been integral in securing the city's global reputation as a leading destination for creativity, culture and innovation. The ubiquity of SXSW media coverage is a unique and deeply valuable asset to the City of Austin.



Austin's distinctive brand identity remains the envy of communities throughout the world. The organic nature of this brand identity is especially notable. Traditionally, cities chasing global recognition have pursued mega-events such as the Olympics or the Super Bowl to help bolster their visibility. These events not only require millions or even billions of dollars in public funding, but the benefits often prove illusory—every host city, no matter how successful, is soon replaced by another community. In contrast, SXSW has helped Austin establish and sustain an authentic and unique identity through this annual, earned media exposure.

The media valuation calculations, though imprecise, represent the most comprehensive attempt to properly quantify the economic benefits Austin enjoys each year via SXSW's "media buzz" factor.

"South by Southwest is known for launching smart studio films and buzzy independent movies. It all happens against a backdrop of tacos, beer, and keynote speeches from influential artists and world leaders. In 2019, SXSW might have had one of its best years ever."

Variety

SELECTED SXSW MEDIA COVERAGE

NATIONAL COVERAGE

ABC
AD AGE
ADWEEK
THE ADVOCATE
ARS TECHNICA
ASSOCIATED PRESS
AV CLUB
THE ATLANTIC
AXIOS
BBC
BILLBOARD
THE BALTIMORE SUN
BUSINESS JOURNALS
BLOOMBERG
BOSTON GLOBE
BUSINESS INSIDER
BUZZFEED
CBS NEWS
THE CHARLOTTE OBSERVER
CHICAGO TRIBUNE
CNBC
CNET
CNN
COMPLEX
COSMOPOLITAN
DAILY BEAST
DALLAS MORNING NEWS
DETROIT FREE PRESS

EDUCATION NEWS
ELLE
ENTERTAINMENT WEEKLY
ESPN
ESSENCE
THE FADER
FAST COMPANY
FILMTHREAT
FOOD & WINE
FORBES
FOX NEWS
GQ
GLAMOUR
HARVARD BUSINESS REVIEW
HEAVY
HOLLYWOOD REPORTER
HUFFINGTON POST
HYPEBEAST
IHEARTMEDIA
INDIEWIRE
INSTYLE
KANSAS CITY STAR
LA WEEKLY
LATIN TIMES
LAS VEGAS SUN
LOS ANGELES TIMES
LEXINGTON HERALD-LEADER
MARIE-CLAIRE
MASHABLE

MEDIUM
MIAMI HERALD
MOTLEY FOOL
MSNBC
MUNDO HISPANICO
NASHVILLE SCENE
NATIONAL REVIEW
NBC NEWS
NERDIST
NEW YORK DAILY NEWS
NEW YORK TIMES
NEW YORKER
NEWSWEEK
NPR
NPR MUSIC
NYLON
ORLANDO SENTINEL
PALO ALTO ONLINE
PASTE MAGAZINE
PEOPLE
PHILADELPHIA WEEKLY
PHILLYVOICE
PITCHBOOK
PITCHFORK
POLLSTAR
PUBLICO
RECODE
REUTERS
ROLLING STONE

THE ROOT
SACRAMENTO BEE
SEATTLE TIMES
SPIN
STEREOGUM
THE STRANGER
SUN NEWS
TEXAS MONTHLY
TEXAS TRIBUNE
THRILLIST
TIME
TRAVEL + LEISURE
TUCSON WEEKLY
TWINCITIESMEDIA
US NEWS & WORLD REPORT
UNIVISION
USA TODAY
VANITY FAIR
VARIETY
VERGE
VIBE
VICE
VOGUE
VOX
W MAGAZINE
WASHINGTON POST
WIRED
XXL MAGAZINE
YAHOO

INTERNATIONAL COVERAGE

24 HORAS CHILE
ABC AUSTRALIA
BRISBANE TIMES
CBC
DERSTANDARD
EL DESCONCIERTO
EL ESPECTADOR
GEEK GERMANY
GLOBAL TIMES
GUARDIAN
INTERIA
IRISH TIMES
JAPAN TIMES
KOREA TIMES
LE HUFFPOST
LE MONDE
MUSIC ESSENTIALS
NEW ZEALAND HERALD
NIFTY
ROCKOL
RESETT
SKY
SOLONEWS
THE BIG IDEA
THE INDEPENDENT
TORONTO SUN
TRAVEL + LEISURE INDIA
YNET

“...The world’s largest culture fest.”
CNET