



ANALYSIS OF THE ECONOMIC BENEFIT TO THE CITY OF AUSTIN  
FROM SOUTH BY SOUTHWEST 2016

MUSIC / FILM / INTERACTIVE / EDU / ECO

PREPARED BY GREYHILL ADVISORS

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# EXECUTIVE SUMMARY

SXSW attracts the world's leading creative professionals to Austin, Texas for an unparalleled event that includes a conference, trade shows, and festivals. For the past 30 years, SXSW has successfully helped creative people achieve their goals while catapulting Austin onto the world stage each March by transforming the city into a global mecca for creative professionals. 2016 was no exception; SXSW's core events attracted a record 87,971 registrants. In addition to its outsized role in sustaining Austin's cultural cachet, SXSW also injects hundreds of millions of dollars into the local economy. **In 2016 alone, SXSW's economic impact on the Austin economy totaled \$325.3 million.**

The continued growth of SXSW reflects its singular ability to bring together creative disciplines across a multitude of industries. With keynote addresses from President Barack Obama, First Lady Michelle Obama, producer Tony Visconti and presentations by Twitter co-founder Biz Stone and director J.J. Abrams, SXSW 2016 provided unprecedented opportunities for creative cross-pollination. In addition to the core SXSW events—Interactive, Film, and Music—SXSWedu also experienced a banner year in 2016. Since its inception in 2011, SXSWedu attendance has increased eightfold. With the recent unification of the SXSW Conference, expanding badge access, and streamlined programming, SXSW promises to propel the event's convergence of entertainment, culture, and technology to new heights in 2017.

SXSWeek encompasses a multitude of diverse elements and engages three distinct types of participants—official Credentialed & Official Participants, Single Admission Participants and Guest Pass Holders. All SXSWeek Participants – Credentialed & Official Participants, Single Ticket Holders and Guest Passes – introduce and circulate money in the local economy

## OFFICIAL ATTENDANCE IMPACT \$159.7 MILLION

SXSW Credentialed & Official Participants include conference and festival badge and wristband holders from five industries: Interactive, Film, and Music as well as Sustainability (Eco) and Education (Edu). 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 badge-holders, industry professionals, and wristband holders, festival exhibitors, and single visitors of events such as film screenings and music concerts.

## OPERATIONAL IMPACT \$116.9 MILLION

Although SXSW is most visible during March, producing such a large-scale event requires an extensive permanent staff.

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 GUEST PASS & CONSUMER IMPACT \$48.7 MILLION

In recent years, the international prominence of SXSWeek has attracted a significant number of non-credentialed participants. Unlike official SXSW Credentialed & Official Participants, individuals participating in free SXSWeek events are typically recreationally oriented and more likely to originate from within Texas. Such visitors individually spend less money than their Credentialed & Official 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 the more than 110,000 individuals that participated in free-to-the-public consumer events during SXSWeek 2017.

“SXSW is an intersection of creativity, innovation and discovery through the lens of music, film, and tech.”  
*Forbes*

# SXSW BY THE NUMBERS

**SXSW continues to be the single most profitable event for the City of Austin’s hospitality industry:**

- SXSW 2016 included 13 days of industry conferences, a 4-day trade show, 8 exhibitions, a 6-night music festival featuring more than 2,200 bands, and a 9-day film festival with more than 460 screenings.

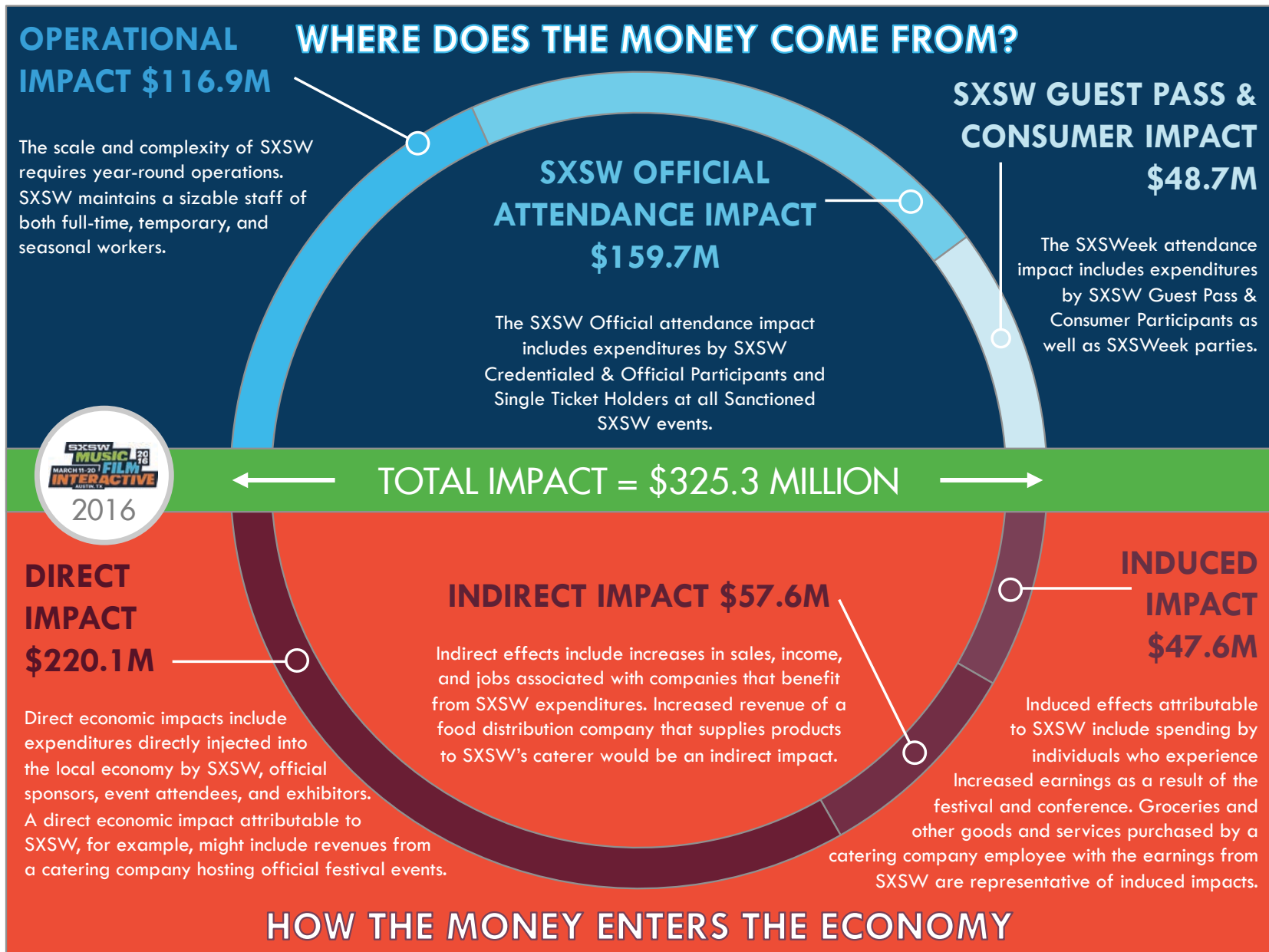
In 2016, SXSW directly booked **14,415 individual hotel reservations totaling over 59,000 room nights for SXSW registrants**. Direct bookings by SXSW alone generated \$1.8 million in hotel occupancy tax revenues for the City of Austin.

- The openings of the Hotel Van Zandt and Holiday Inn Express, as well as the continued increases in Registrants and short-term rental bookings, helped expand Austin’s lodging capacity and contributed to longer SXSW visits. **In 2016, the SXSW registrant hotel stay averaged 5.2 nights each, an increase from 4.9 nights in 2015.**
- Despite increased lodging inventory in Austin, demand for accommodations during SXSW continues to outstrip supply by a significant margin—a situation that drove the **average nightly hotel rate for SXSW-booked rooms to an all-time high \$350 in 2016**. The trend of hotel rate hikes – a 60% rise between 2011 and 2016 – will prove unsustainable as additional guest room inventory enters the market and lower room rates bring some relief to future attendees.
- SXSW Conference and Festivals participants, defined below to include Registrants and Single Admission Ticket Holders, totaled nearly 140,000.
- SXSW Guest Pass and Consumer Attendees attracted an additional 203,800 participants. These popular free-to-the-public events included the 3-night Outdoor Stage concerts at Lady Bird Lake, the 2-day Digital Creative Job Market, 3-day Flatstock poster art show and Music Gear Expo, 1-day Education Expo, the 3-day SXSW Gaming Expo, SXSW Create, and SXSW MedTech Expo. In 2016, SXSW distributed 119,500 Guest Passes.

CREDEntIALED & OFFICIAL PARTICIPANTS	84,560	SINGLE ADMISSION PARTICIPANTS	55,210	GUEST PASS & CONSUMER PARTICIPANTS	203,800
Music, Film & Interactive Badgeholders	37,600	Paid Music & Film Festival Single		Outdoor Stage at Lady Bird Lake	35,600
EDU and Eco Badgeholders	11,660	Admission Ticket Sales	46,100	Gaming Expo Attendees	76,200
Artists + Crew + Posse	21,000	Carver Museum Theatre	800	Flatstock & Music Gear Expo	56,000
Wristband Holders	7,900	Second Play Stage Attendance	2,000	Job Market	11,000
Film Pass	2,000	Education Expo	6,310	SX Create	20,000
Collateral Attendance	4,400			SX Health & Med Tech Expo	5,000

“In the coming months and years, the stuff seen, heard and experienced at this year’s South by Southwest festival... will be coming to a screen, handset, or workplace near you.”  
The Irish Times

# SXSW ECONOMIC IMPACT



# SXSW MEDIA VALUATION

*In 2016 the value of SXSW print, broadcast and online publications coverage totaled \$223 million. The increase in SXSW's media valuation reflects a more comprehensive assessment of international media coverage.* Keynote addresses by both President Barak Obama and First Lady Michelle Obama saw an upsurge in national and international coverage of SXSW 2016. Media coverage contributes to the Austin's core identity, elevates the city's global profile and represents a substantial return on the City of Austin's relatively modest investment in SXSW.

Austin is widely recognized throughout the world as a community where creativity and commerce are valued and nurtured and SXSW has played a pivotal role in establishing this reputation. SXSW places Austin on the international stage each March, showcasing the city's idiosyncratic identity to millions of creative professionals worldwide. **In 2016 alone, SXSW—and by extension, Austin, Texas—achieved over 110 billion broadcast, print, and online impressions.** The ubiquity of SXSW media coverage is unique and tremendously valuable.

Crafting an authentic city brand that resonates with both residents and the world at large is a notoriously difficult and expensive endeavor. Austin has not only established a genuine and distinctive identity but has done so without significant public resources. Very few cities have managed a similar feat. Instead, cities aspiring for global recognition are typically forced to spend millions or billions of dollars to host mega-events like the Olympics or the Super Bowl. The benefits to these cities are typically ephemeral; every host city, no matter how successful, is replaced for the next event. In contrast, Austin enjoys the unique advantage of receiving a global audience that perpetuates the region's reputation as a creative mecca – year after year after year.

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

*“SXSW - by its very definition - is about breaking down boundaries, and stepping into the unknown. It's about trying to do something different.”*  
*Engadget*

# SELECTED SXSW MEDIA COVERAGE

## NATIONAL COVERAGE

ABC NEWS  
 ADVERTISING AGE  
 ADWEEK  
 ASSOCIATED PRESS  
 ATLANTA JOURNAL-CONSTITUTION  
 BBC  
 BET  
 BILLBOARD  
 BOSTON GLOBE  
 BON APPETIT  
 BUZZFEED  
 CBS NEWS  
 CHICAGO TRIBUNE  
 CHINA DAILY  
 CNBC  
 CNET NEWS  
 CNN  
 COMPLEX  
 CONDE NAST TRAVELER  
 COSMOPOLITAN  
 DAILY BEAST  
 DALLAS MORNING NEWS  
 DALLAS OBSERVER  
 DENVER POST  
 DETROIT FREE PRESS  
 E! ENTERTAINMENT  
 ENGADGET  
 ENTERTAINMENT WEEKLY

ESQUIRE  
 FAST COMPANY  
 FORT WORTH STAR-TELEGRAM  
 FOX NEWS  
 FOOD & WINE  
 FOREIGN POLICY  
 HUFFINGTON POST  
 GQ  
 IFC  
 INC.  
 JALOPNIK  
 JEZEBEL  
 JIMMY KIMMEL LIVE  
 LA TIMES  
 LAST CALL WITH CARSON DALY  
 LATE NIGHT WITH SETH MEYERS  
 LE MONDE  
 LOS ANGELES TIMES  
 MACRUMORS  
 MARIE CLAIRE  
 MASHABLE  
 MIAMI HERALD  
 MILWAUKEE JOURNAL-SENTINEL  
 MINNEAPOLIS STAR TRIBUNE  
 MSNBC  
 MTV NEWS  
 NATIONAL GEOGRAPHIC TRAVEL  
 NATIONAL REVIEW  
 NBC NEWS

NEW YORK POST  
 NEW YORK TIMES  
 NEW YORKER  
 NEW ZEALAND HERALD  
 NEWSWEEK  
 NPR  
 THE ONION  
 OREGONIAN  
 ORLANDO SENTINEL  
 PASTE MAGAZINE  
 PHILADELPHIA INQUIRER  
 PITCHFORK  
 PITTSBURGH POST-GAZETTE  
 POLLSTAR  
 RACHAEL RAY SHOW  
 RECODE  
 REUTERS  
 ROLLING STONE  
 SACRAMENTO BEE  
 SAN ANTONIO EXPRESS-NEWS  
 SAN FRANCISCO CHRONICLE  
 SAN JOSE MERCURY NEWS  
 SEATTLE TIMES  
 SPIN  
 ST. LOUIS POST-DISPATCH  
 STEREOGUM  
 TEXAS MONTHLY  
 TEXAS TRIBUNE  
 TORONTO STAR

TONIGHT SHOW  
 THE ADVOCATE  
 THE ATLANTIC  
 THE DAILY BEAST  
 THE HOLLYWOOD REPORTER  
 THE NEXT WEB  
 THE LATE LATE SHOW  
 THE ONION/AV CLUB  
 THE STRANGER  
 THE VERGE  
 TIME  
 TRAVEL + LEISURE  
 TUCSON WEEKLY  
 TV GUIDE  
 UNIVISION  
 US WEEKLY  
 USA TODAY  
 VANITY FAIR  
 VARIETY  
 VERGE  
 VH1  
 VIBE  
 VICE  
 VOGUE  
 WALL STREET JOURNAL  
 WASHINGTON POST  
 WIRED  
 XXL MAGAZINE  
 YAHOO!

## INTERNATIONAL COVERAGE

24 HORAS CHILE  
 BANGKOK POST  
 CALGARY HERALD  
 DAILY MIRROR  
 DRIMBLE  
 EL MUNDO NEWSPAPER  
 EL PAIS COLUMBIA  
 ENCA  
 GIZMODO INDIA  
 GUARDIAN  
 HELSINGIN SAOMAT  
 IRISH INDEPENDENT  
 IRISH TIMES  
 JAPAN TIMES  
 JERUSALEM POST  
 KOREAN ECONOMIC DAILY  
 LE MONDE  
 LUXEMBOURG WORT  
 MODERN GHANA  
 MONTREAL GAZETTE  
 NME  
 RADIO-CANADA  
 REUTERS CHINA  
 TABNAK  
 THE INDEPENDENT  
 THE TORONTO STAR  
 TIMES-HEARLD  
 VISIR

“2016 is the year SXSW completes its transformation from a music festival into a cultural juggernaut.”  
*USA Today*