PRESS RELEASE

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SXSW 2014 Economic Benefit to City of Austin Totals $315 Million

Austin, TX - September 11, 2014 – South by Southwest (SXSW) is proud to present the comprehensive economic impact of the 2014 South by Southwest (SXSW) Music, Film, Interactive, Edu and Eco Conferences and Festivals to the City of Austin. This analysis represents the eighth consecutive study to fully assess the unique nature of SXSW and its beneficial economic impact to the city. The impact of SXSW’s official events totaled $315 million for 2014.

SXSW 2014 marked the 28th year of this annual conference, trade show, and festival in Austin, Texas. The event reinforced SXSW’s reputation as the world’s premier gathering of creative professionals. In addition to its thriving legacy components—Music, Film, and Interactive—SXSW also encompasses newer, burgeoning conferences dedicated to Sustainability (SXSW Eco) and Education (SXSWedu).

Convergence remains the core value proposition of SXSW and the 2014 event was no exception. SXSW remains singular in its ability to facilitate the exchange of ideas from such a wide a variety of disciplines and cultures. The event brings together an impressive agglomeration of Music, Film, and Interactive industry leaders. Geographically, SXSW draws participants from around the world. The infusion of international talent each year during SXSW transforms Austin into a global epicenter for creative professionals.

“SXSW continues to be an extraordinary celebration of the cultural fabric of Austin and all that Austinites value,” said Michael W. Rollins, CCE, President of the Austin Chamber of Commerce. “Besides focusing the eyes of the world on our city in March, SXSW brings employment to many thousands of our citizens and allows them to provide for their families. From entertainment venues that employ local bands to hotels to retail establishments and all the support industry that provides services that visitors require to the many innovative businesses that have relocated or started up here because of exposure Austin gained during SXSW, this event has helped drive the thriving economy in Central Texas. The fact is that all Austinites benefit from SXSW as the City of Austin has collected millions of dollars in taxes through the years that can be directly attributable to SXSW. Thank you SXSW.”

In 2014, SXSW’s core events attracted 44,500 registrants. SXSWedu set a new mark with 5,900 participants. Since 2012, SXSWedu attendance has tripled. More than 25 years after its inception, SXSW’s unmatched depth and breadth of content and activities continue to provide unparalleled opportunities for creative cross-pollination.

SXSW continues to be the single most profitable event for the City of Austin’s hospitality industry:
• SXSW 2014 (including the Music, Interactive, Film and SXSWedu events) featured 13 days of industry conferences, a 4-day trade show, a 6-night music festival featuring more than 2,100 bands, and a 9-day film festival with more than 400 screenings.
• In 2014, SXSW directly booked 13,990 individual hotel reservations totaling 60,450 room nights. The average hotel booking was 4.32 nights.
• Limited hotel inventory helped push the average nightly hotel rate up 12 percent to more than $287.
• SXSW Conference and Festival participation, including official registrants, artists and support crew, and single admission film and music attendees totaled 134,000 (defined as any individual who attended at least one SXSW activity).
• In 2014, SXSW attracted registrants from 87 countries and bands from 57 countries.
• SXSW’s popular free-to-the-public consumer events such as the 3-night Outdoor Stage concert series at Butler Park, the 2-day Digital Creative Job Market, 3-day SXSW Create, 4-day Flatstock poster art show and Music Gear Expo, 1-day Education Expo, the 3-day SXSW Gaming Expo and the 3-day Renegade Craft Fair attracted an additional 239,700 participants.
• In 2014, SXSW distributed 150,000 SXSWeek Guest Passes. These SXSW credentials permitted the wearer to attend free-to-to the public events such as the Outdoor Concert at Butler Park, Flatstock poster art show, Music Gear Expo, Flatstock poster art show and Music Gear Expo, SXSW Gaming Expo and the Renegade Craft Fair.
• Every March innumerable patrons with no official credentials travel to Austin to experience the Spring Festival Season that has evolved around SXSWeek. This report does not attempt to account for this significant demographic estimated to exceed 100,000 or more individuals.

SXSW Executive Director Mike Shea notes that “an extremely diverse cross-section of Austinites share in the annual economic windfall.” He continues, “These dollars flow to thousands of Austin businesses, big and small, as well as to tens of thousands of individuals. The money is spent everywhere from hotels and nightclubs to hair salons and retailers and everywhere in between. And when the counting’s all done the City and State coffers realize a nice tax bounty, too.”

In 2014, SXSWeek was responsible for injecting more than $315.3 million into the Austin economy through Operational Output, SXSW Registrant Attendance Expenditures and SXSWeek Participant Expenditures. Operational Output is a measurement of the direct, indirect, and induced local economic benefit of the year-round operations of SXSW as well as expenditures by SXSW and official sponsors. The impact of SXSW operations on the Austin economy was $121.9 million in 2014. SXSW Registrant Attendance Expenditures are the direct, indirect, and induced local economic benefit of all attendees of the conference and festival. Attendees include official SXSW badge-holders, industry professionals, wristband holders, festival exhibitors, and single visitors of events such as film screenings and music concerts. The economic impact of SXSW attendance expenditures was $136.5 million in 2014. SXSWeek Participant Expenditures are the estimated impact of direct, indirect, and induced spending by SXSW Guest Pass Holders and parties affiliated, both directly and indirectly, with SXSW. 2014 marks the first year the majority of SXSWeek Participant Expenditures have been measured for the economic impact. In 2014, the economic impact of SXSW Participants Expenditures exceeded $56.9 million.

In addition to injecting hundreds of millions of dollars into the local economy, SXSW 2014 also provided Austin with extraordinarily valuable media coverage. Since its inception, SXSW has played a critical role in helping position Austin as a place where creativity and commerce are mutually valued, nurtured, and networked. In 2014 alone, SXSW —and by extension, Austin, Texas—achieved over 86.7 billion broadcast, print, and online impressions. Although the city’s investment in SXSW is relatively modest, the media exposure enjoyed by SXSW and Austin has enormous value. The positive impact of SXSW is compounded because it strengthens the city’s core identity. In 2014 the value of SXSW print, broadcast and online publications coverage totaled more than $78.7 million. The large increase in the 2014 SXSW media valuation is the result of on-site, nationally broadcast programs and international streaming platforms and includes only media coverage of scheduled programming and events.

To read and download the full study, please visit www.greyhill.com/blog or www.sxsw.com/press.

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About Greyhill Advisors: Greyhill Advisors is an economic analysis, economic development and site selection consulting firm with offices in Austin, TX and New York, NY. Greyhill represents a team of seasoned professionals with hands on experience performing economic analysis, assisting leading companies in their location decisions and working with communities to expand their economic potential. For more information, visit www.greyhill.com.