

SXSW

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SXSW Economic Impact to the City of Austin Increases to \$355.9 Million in 2019 *Impact Benefits City, Businesses and Citizens*

Austin, TX - October 8, 2019 - Greyhill Advisors and South by Southwest® (SXSW®) are proud to present a beneficial economic impact analysis of the SXSW Conference and Festivals on the City of Austin. SXSW 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, connected and celebrated. In addition to contributing to Austin's cultural cachet, SXSW injects hundreds of millions of dollars into the local economy. The 2019 event delivered the greatest economic impact to Austin, Texas's businesses and residents in its 33-year history. SXSW's 2019 impact on the Austin economy totaled **\$355.9 million**.

"SXSW is a quintessential Austin story," said Mayor Steve Adler. "Starting as a music festival, then expanding to include film and evolving further to cover interactive technology, as well as education and gaming, SXSW has become the world's fair of the future. The economic impact of SXSW is on par with hosting the Super Bowl every year and all participants benefit year round."

Where does the money come from?

- **Attendance Impact: \$182.1 million** - Official attendance impact includes expenditures by SXSW credentialed participants and single ticket holders at all SXSW events.
- **Operational Impact: \$157.1 million** - The scale and complexity of SXSW requires year-round operations. SXSW maintains a sizable staff of full-time, temporary, and seasonal workers.
- **Consumer Impact: \$16.7 million** - Consumer impact includes expenditures by SXSW Guest Pass and consumer participants as well as official parties.

SXSW remains the single most profitable event for the City of Austin's hospitality industry.

- In 2019, SXSW directly booked more than 12,000 individual hotel reservations totaling more than 51,500 room nights for SXSW registrants. Direct bookings by SXSW alone generated nearly \$1.7 million in hotel occupancy tax revenues for the City of Austin.
- 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.

- Entertainment spending by SXSW attendees goes directly to the restaurants, conference facilities, music venues, film theaters, retail stores, print shops, transportation companies, and other establishments throughout central Austin.

SXSW has been integral in securing the city's global reputation as a leading destination for creativity, culture and innovation. "SXSW has been an amazing partner to the Austin community and has financially supported so many of our urban community spaces. We are grateful for their leadership in the Austin community," said Colin Wallis, CEO of Austin Parks Foundation.

Every March, SXSW broadcasts Austin's idiosyncratic identity to millions of creative professionals around 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. The ubiquity of SXSW media coverage is a unique and valuable asset to the City of Austin. In 2019 the value of SXSW print, broadcast and online publications coverage totaled \$339.6 million.

Austin's distinctive brand identity remains the envy of communities throughout the world. All too often, cities aspiring for global recognition feel compelled to spend millions or even billions of tax dollars in order to attract a fleeting mega-event such as the Olympics or the Super Bowl. Austin has managed to establish a genuine and unique identity with minimal public expenditure. Austin also benefits from an influx of international visitors each year that serve as an army of global ambassadors that help sustain the region's reputation as a creative mecca.

SXSW 2019 included 14 days of industry conferences with featured speakers and keynotes from Olivia Wilde, Bozoma Saint John, Adam Horowitz & Michael Diamond of Beastie Boys, and David Brooks, among many others; a four-day Trade Show; a six-night Music Festival; a nine-day Film Festival; the Virtual Cinema; the Art Program; the Comedy Festival; and SXSW Gaming. Popular free-to-the-public events included Outdoor Stage concerts at Lady Bird Lake, Wellness Expo, EDU Expo, Flatstock poster art show, SXSW Marketplace, and showcasing artists performing free shows in many downtown hotels.

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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.

About SXSW: SXSW dedicates itself to helping creative people achieve their goals. Founded in 1987 in Austin, Texas, SXSW is best known for its conference and festivals that celebrate the convergence of the interactive, film, and music industries. An essential destination for global professionals, the event features sessions, showcases, screenings, exhibitions, professional development and a variety of networking opportunities. SXSW proves that the most unexpected discoveries happen when diverse topics and people come together. SXSW 2020 will take place March 13 - 22, 2020. For more information, please visit sxsw.com.