



ANALYSIS OF THE ECONOMIC BENEFIT TO THE CITY OF AUSTIN FROM SXSW 2018

SXSW Conference & Festivals / SXSW EDU Conference & Festival

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EXECUTIVE SUMMARY

In 2018 the SXSW Conference and Festivals delivered a greater beneficial economic impact to Austin Texas's businesses and citizens than ever before in its 32-year history. SXSW's peerless mix of industry conferences, festivals, and exhibitions, draws the world's creative thought leaders to Austin every March and transforms the city into a global mecca for creative professionals. These annual conferences and festivals bolster Austin's ever-growing reputation as a place where innovation and commerce are nurtured, networked and celebrated. This positive trend continued in 2018, with total attendance at all official SXSW events approaching 289,000. In addition to enhancing Austin's cultural cachet, SXSW injects hundreds of millions of dollars into the local economy. **SXSW's 2018 economic impact on the Austin economy totaled \$350.6 million.**

SXSW has annually provided a broad base of diverse industry professionals unparalleled opportunity to share their visions with one another. 2018 was no exception, with SXSW's convergence of entertainment, culture and technology accessible across two-dozen convergent tracks of programming. Keynote addresses from journalist and filmmaker Nonny De La Peña, business magnate Elon Musk, philanthropist Melinda Gates, and author Ta-Nehisi Coates, further underscored SXSW's singular ability to bring together the world's most creative talent.

SXSWeek encompasses many diverse activities and elements. Participants 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 \$175.5 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 badge-holders, industry professionals, and wristband holders, festival exhibitors, and single visitors of events such as film screenings and music concerts.

OPERATIONAL IMPACT \$148.0 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 \$27.1 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 SXSWeek events 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 SXSWeek 2018.

"Austin, Texas makes a fair claim of being the live music capital of the world. At no time is this truer than during South by Southwest festival when the entirety of the downtown area becomes an enthralling melting pot of different sounds, from the tumult of street performers and buskers on every corner, to the thrum of live bands spilling out from Austin's seemingly endless array of venues."

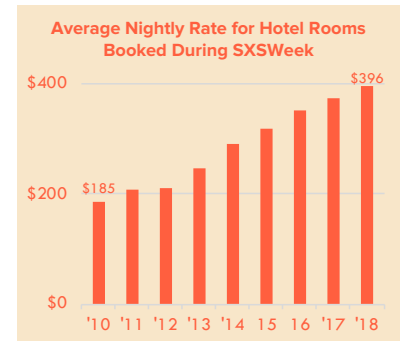
BBC Music

SXSW BY THE NUMBERS



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

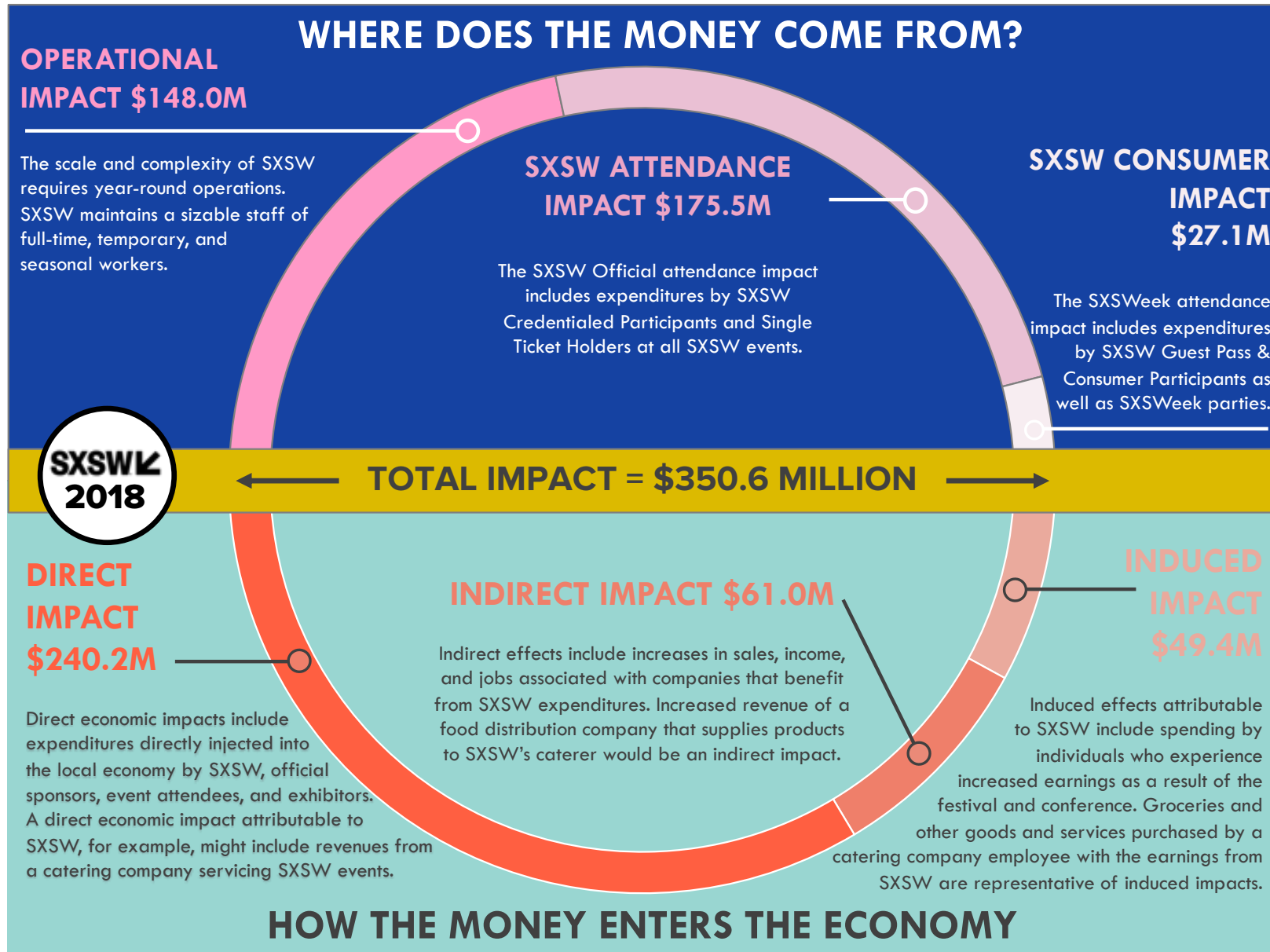
- The 2018 events kicked off with SXSW EDU on March 5th and continued through March 18th with the SXSW Conference & Festivals and SXSW Gaming.
- In 2018, SXSW directly booked **12,900 individual hotel reservations totaling more than 53,000 room nights for SXSW registrants**. Direct bookings by SXSW alone generated nearly \$1.8 million in hotel occupancy tax revenues for the City of Austin.
- **The average length of stay for all SXSW registrants in 2018 was approximately 5 nights.** Increased inventory in both hotel rooms and short-term rental options has helped sustain longer visits by SXSW registrants. Extremely high housing costs in both hospitality sectors, however, is likely precluding further gains in the average length of stay among registrants.
- **In 2018, the average nightly hotel rate for SXSW-booked rooms topped \$393 – an all-time high that has led to decreasing occupancy on several nights.** Despite an increase in peak night rates the growth in downtown inventory has reversed the rising rate trend both before and after peak. Demand for downtown accommodations during SXSW 2018 continued to outstrip supply but that gap will continue to close as more hotels come online in the next 3 years. Attendees surveyed increasingly reference very high hotel rates as a negative in their Austin experience.



“SXSW continues its mission to welcome a diverse group of creative professionals and innovative companies to further develop careers and businesses whether it is through music, film or technology.”

Forbes

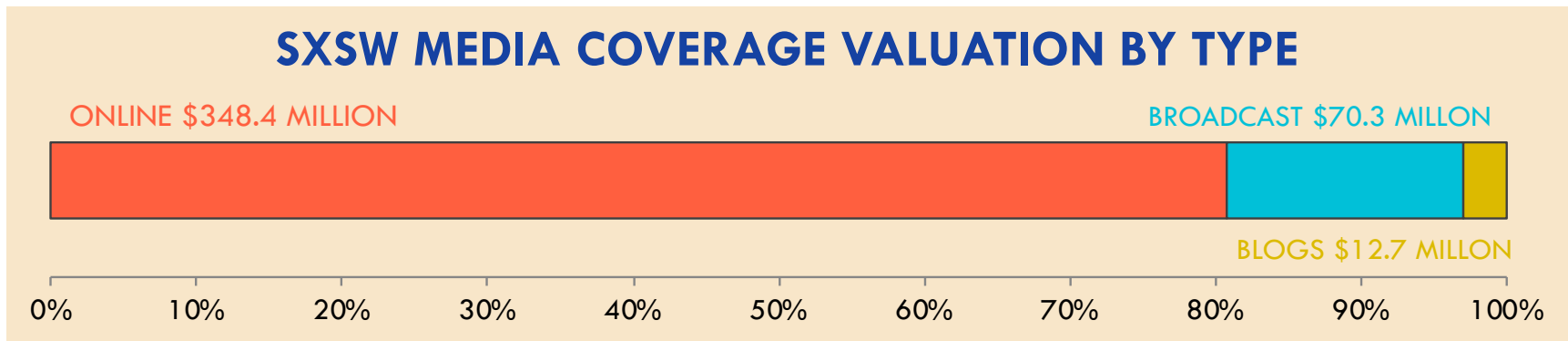
SXSW ECONOMIC IMPACT



SXSW MEDIA VALUATION

In 2018 the value of SXSW print, broadcast and online publications coverage totaled \$431.4 million.

Each March, SXSW catapults Austin onto the international stage and broadcasts the city's idiosyncratic identity to millions of creative professionals throughout the world. SXSW and the associated media coverage represents an extraordinary return on the City of Austin's comparatively modest investment in SXSW. Austin is known throughout the world as a community where both creativity and commerce are cherished. As the BBC observed during SXSW this past year, "Austin, Texas makes a fair claim of being the live music capital of the world. At no time is this truer than during South by Southwest festival." SXSW has been integral in establishing and maintaining the city's global reputation as a haven 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. 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. The benefits to these cities are short-lived—every host city, no matter how successful, is soon replaced by another community. In contrast, Austin has managed to establish a genuine and unique identity with minimal public expenditures. What's more, Austin has successfully crafted an authentic community brand that resonates both within the region and throughout the world. Thanks to SXSW, 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—year after year after year.

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.

*"Each year SXSW sets the pace for music, film and technology."
The (London) Times*

SELECTED SXSW MEDIA COVERAGE

NATIONAL COVERAGE

ABC NEWS
ADVOCATE
ADWEEK
THE ADVOCATE
ARS TECHNICA
ASSOCIATED PRESS
AVCLUB.COM
THE ATLANTIC
BBC
BET
BILLBOARD
THE BALTIMORE SUN
BUSINESS JOURNALS
BLOOMBERG
BON APPETIT
BOSTON GLOBE
BUZZFEED
CBS NEWS
THE CHARLOTTE OBSERVER
CHICAGO TRIBUNE
CNBC
CNET
CNN
COMPLEX
COSMOPOLITAN
DAILY BEAST
DALLAS MORNING NEWS
DALLAS OBSERVER

DETROIT FREE PRESS
EBONY
ELLE
ENGADGET
E! ENTERTAINMENT
ENTERTAINMENT WEEKLY
ESPN
ESQUIRE
THE FADER
FAST COMPANY
FORBES
FORTUNE
FOX NEWS
FUNNY OR DIE
GQ
HOLLYWOOD REPORTER
HUFFINGTON POST
HYPEBEAST
INC.
INDIEWIRE
JALOPNIK
JALOPNIK
JEZEBEL
LAS VEGAS SUN
LOS ANGELES TIMES
LOUISVILLE COURIER-JOURNAL
MACRUMORS
MARKETPLATE
MASHABLE

MEDIUM
MIAMI HERALD
MOTLEY FOOL
MSNBC
MTV
NATIONAL GEOGRAPHIC
NATIONAL REVIEW
NBC NEWS
NERDIST
NEW YORK POST
NEW YORK TIMES
NEW YORKER
NEWSER
NEWSWEEK
NPR
NYLON
ORLANDO SENTINEL
OUT
MAGAZINE
PAPER MAGAZINE
PASTE MAGAZINE
PEOPLE
PHILADELPHIA INQUIRER
PITCHFORK
PITTSBURGH POST-GAZETTE
POLLSTAR
RACHAEL RAY SHOW
RECODE
REUTERS
ROLLING STONE

SACRAMENTO BEE
SAN JOSE MERCURY NEWS
SEATTLE TIMES
SCIENTIFIC AMERICAN
THE SOURCE
SMITHSONIAN MAGAZINE
SPIN
STEREOGUM
TEXAS MONTHLY
THRILLIST
TIME
TRAVEL + LEISURE
TOWN & COUNTRY
TV GUIDE
UNIVISION
US WEEKLY
USA TODAY
VANITY FAIR
VARIETY
VERGE
VIBE
VICE
VOGUE
W MAGAZINE
WALL STREET JOURNAL
WASHINGTON POST
WIRED
XXL MAGAZINE
YAHOO

INTERNATIONAL COVERAGE

24 HORAS CHILE
BANGKOK POST
BRISBANE TIMES
CALGARY HERALD
EL MUNDO
ENCA
GLOBAL TIMES
GUARDIAN
HEARD LIVE
INTERIA
IRISH TIMES
JAPAN TIMES
KOREA HERALD
KOREA TIMES
LA NAZIONE
LE MONDE
MODERN GHANA
MONOCLE
NEW ZEALAND HERALD
NME
PRAVDA
RADIO-CANADA
TABNAK
THE INDEPENDENT
THE NATION PAKISTAN
THE TIMES OF ISRAEL
THE VANCOUVER SUN
VISIR

“SXSW is a place where the unexpected is expected.”
AdWeek