



SOUTH BY SOUTHWEST (SXSW) CONFERENCE AND FESTIVALS: USING GLOBAL CREATIVES TO SUPPORT LOCAL ECOSYSTEMS

Austin, United States—

- The South by Southwest (SXSW) festival and conferences brings world leading artists, creatives, technologists and entrepreneurs to the City of Austin, Texas.
- SXSW generates substantial economic returns for the City of Austin, both through tourism and through visitor spending during the event and through SXSW's year-round programme of activities.
- The festival and conferences help support a thriving local creative ecosystem and contribute to the city's strong reputation as a creative hub for music and culture.

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- **Geographical scale**
City
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City / metropolitan area
- **Keyword**
Place-based revitalisation | Sector strategies
- **Theme**
Culture, creative sectors and global events
- **Countries**
[United States](#)

What are the objectives?

The South by Southwest (SXSW) festival and conferences is one of the largest cultural events in the world. SXSW, held annually in Austin, Texas, is a multifaceted event that combines film, music, and interactive media with a variety of conferences and professional development sessions. Since its inception in 1987, SXSW has evolved into a platform for innovation and creativity, drawing artists, entrepreneurs, and industry professionals from around the world. The festival and conferences facilitate the exploration of new technologies, creative projects, and business models, offering opportunities for networking and knowledge exchange.

How does it work in practice?

SXSW supports a thriving local cultural and creative ecosystem. The conference is held at the Austin Convention Centre with the festivals utilising the city's wide array of performing arts venues. For example, SXSW activities took place in 70 different music venues, eight hotel and conference venues, and seven theatres in the city in 2023. The festival also highlights local talent and offers a platform for emerging artists and performers to gain international exposure. This helps to support the local creative ecosystem, with the City of Austin being world-renowned for its music and is recognised as a UNESCO City of Media Arts. The festival is also included in strategic plans of the City of Austin. For example, the City of Austin's Economic Development Department has previously provided funding for a SXSW Austin Music Showcase that exclusively exhibits Austin musicians. SXSW also holds a quarterly Diverse Business Mixer event, for local Austin based businesses to connect, network, and share best practices.

The City of Austin has developed a special agency dedicated to overseeing and supporting events like SXSW in the area. The Austin Center for Events (ACE) is collective of different City departments which oversees the permitting and planning for temporary special events and festivals in the City of Austin. ACE is an interdepartmental team consisting of representatives from multiple city departments, including Austin Police, Austin Fire, Austin-Travis County Emergency Medical Services, Austin Transportation, Austin Water Utility, Economic Development Department's Music & Entertainment Division, Parks and Recreation, Austin Public Health, Code Compliance, and Austin Resource Recovery. ACE also works with several local agencies, such as Capital Metro and the Texas Facilities Commission, for event planning and permitting. This interdisciplinary team support event hosts and provide easily accessible tools and resources to guide them through the event planning process, including all necessary permits. The interdisciplinary nature of the team allows for a one-stop-shop approach, making accessing information easier.

What has been the impact?

Economic impact assessments of SXSW show a strong economic benefit to the City of Austin.

Analysis conducted by SXSW estimates the economic impact generated by attendees at the 2023 conference and festivals was USD 234.1 million. This figure includes the direct, indirect, and induced impacts, meaning the estimated spending generated by attendees as well as how that additional spending impacts wider supply chains and household spending in the local area. In addition, SXSW estimates that the organisation's year-round activities and presence in the city generate an additional USD 88.7 million direct, indirect, and induced economic impact. They also estimate the local economic activity generated by expenditures by SXSW exhibitors and sponsors, as well as official parties, to be USD 58 million. Taken together, this produces a total

estimated economic impact of USD 380.9 million. For context, this figure is equivalent to roughly 7% of the budget of Austin City Council for Fiscal Year 2023-2024 (USD 5.5 billion).

The conference and festivals boost tourism and hospitality, which is also reinvested into the local music scene. Thousands of people attend SXSW every year, staying in local hotels and spending in local restaurants and shops. For example, an economic impact report estimated that the conference and festivals generated over 52 600 hotel night reservations in 2023. This boost to tourism not only impacts the hospitality business, but some of this additional revenue is invested back to local musicians through the hotel occupancy tax. For example, direct hotel bookings through SXSW in 2023 generated over USD 2.6 million in hotel occupancy tax, a proportion of which used to fund Austin-area musicians through the Live Music Fund. SXSW estimates suggest that they generated enough taxes through direct bookings alone to fund more than 500 grants in 2023.

What can other communities learn from this example?

- Maximise synergies between culture and tourism, for example through reinvesting tourism revenues in local creative activity.
- Embed large-scale events in the local ecosystem by utilising multiple venues and reserving some programming for local artists.
- Create inter-disciplinary public sector teams which bring together emergency services, planners and local development agencies, to support event planning.

Further information

- [SXSW: Analysis of the Economic Benefit to the City of Austin 2023](#)
- [About SXSW](#)
- [The Austin Center for Events](#)

OECD resources

OECD (2023), How to measure the impact of culture, sports and business events: A Guide Part I; <https://doi.org/10.1787/c7249496-en>

OECD (2023), Impact indicators for culture, sports and business events: A Guide Part II; <https://doi.org/10.1787/e2062a5b-en>

OECD (2021), Implementing the OECD Recommendation on Global Events and Local Development: A Toolkit; <https://doi.org/10.1787/efa5cf5f-en>

OECD (2018), Recommendation of the Council on Global Events and Local Development; <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0444>