

# The Economic Impact of the Creative Sector in Austin – Fall 2017 UPDATE



TXP, Inc.  
1310 South 1st Street; Suite 105  
Austin, Texas 78704  
(512) 328-8300 phone  
(512) 462-1240 fax  
[www.txp.com](http://www.txp.com)

## Table of Contents

<b>Summary</b> .....	2
<b>Austin’s Creative Sector Context</b> .....	4
Overview .....	4
New City of Austin Cultural Arts Support Programs .....	4
Definitions .....	5
Economic Impact Methodology .....	5
<b>The Current State of Austin’s Creative Sector</b> .....	6
Economic Impact Results .....	6
Themes from Stakeholder Focus Groups .....	7
<b>Findings</b> .....	9
Finding #1 .....	9
Finding #2 .....	10
Finding #3 .....	10
<b>Recommendations</b> .....	11
Recommendation #1 .....	11
Recommendation #2 .....	12
Recommendation #3 .....	13
<b>Conclusion</b> .....	13
<b>Appendix 1: Detailed Economic Impacts by Sector</b> .....	14
A1.1: Detailed Music Economic Impacts (2016) .....	14
A1.2: Detailed Film Economic Impacts (2016) .....	15
A1.3: Detailed Gaming & Digital Media Economic Impacts (2016) .....	16
A1.4: Detailed Not-for-Profits Economic Impacts (2016) .....	17
A1.5: Detailed Visual Arts Economic Impacts (2016) .....	18
A1.6a: Detailed Music-Influenced Tourism Impacts (2016) .....	19
A1.6b: Detailed Other Culture-Influenced Tourism Impacts (2016) .....	20
<b>Appendix 2: Focus Group Participants</b> .....	21
<b>Appendix 3: Focus Group Questions</b> .....	23
<b>Legal Disclaimer</b> .....	24

## Summary

TXP has evaluated the relationship between culture, creativity, and economic activity in Austin since the beginning of the century. This report provides an update to 2010 assessment (published in 2012). As with previous studies, this analysis outlines the context and issues facing the creative sector, as well as providing recommendations for its continued support.

### 2016 Economic Impact of the Creative Sector in Austin (\$Millions)


2016	Output	Value-Add	Earnings	Jobs	City Tax Rev.
Music	\$779.94	\$436.01	\$194.96	6,220	\$8.19
Film	\$760.77	\$513.74	\$320.44	4,104	\$4.91
Gaming	\$1,223.62	\$762.91	\$445.62	7,376	\$7.48
Not-for-Profit	\$593.49	\$361.87	\$183.97	8,914	\$6.63
Visual Arts	\$440.91	\$292.09	\$125.79	5,148	\$4.82
Tourism/Music	\$1,212.92	\$729.92	\$367.01	15,331	\$42.60
Tourism/Other	\$866.37	\$521.37	\$262.15	8,550	\$30.43
<b>Total Annual</b>	<b>\$5,878.03</b>	<b>\$3,617.91</b>	<b>\$1,899.94</b>	<b>55,643</b>	<b>\$106.05</b>

Source: TXP

In 2016, the creative sector of Austin's economy accounted for just under \$5.9 billion in economic activity, \$3.6 billion in value-added, \$1.9 billion in labor compensation, over \$106 million in City tax revenues, and over 55,000 permanent jobs. The creative sector (as measured by employment) has risen by about 14% since 2010, a pace about half the local economy as a whole. Among individual segments, digital media, film, and tourism experienced the most rapid growth, as digital assumes a greater share of the overall visual arts (and the creative pie in general), and high-profile events continue to drive visitor spending.

Creativity is fundamental to Austin, as the role of innovation and intellectual capital is now integral to almost all aspects of our economic base. However, the impact of rising costs is something of the canary in the coal mine, as artists of all disciplines find it increasingly challenging to live and create here. Artists have always been the peak of the creativity pyramid; the work they do and the environment they help create supports the commercialization of creativity in a variety of other sectors of the economy. This is analogous to what often happens at the micro level:

- artists discover a lower-cost neighborhood and stimulate an environment that is appealing to the professional creative class (as well as tourists);
- property values rise and upscale consumer amenities proliferate; and
- artists move to the next neighborhood to begin the cycle again.



At the macro level, this process of reinvention and renewal is in danger, as rising costs prompt an increasingly mobile artist population to consider relocating elsewhere. If that occurs, the cycle is broken; while Austin may continue to reap the benefits of the influence of artists past for a while, the culture and quality of life that defines the community will be undermined, and there will be economic repercussions. The task is to blunt the impact of rising costs, and enable local artistic creativity to remain both vibrant and viable.

## Austin's Creative Sector Context

### Overview

The connection between culture, creativity, and economic activity is increasingly understood, and has been a strategic focus for much of this century. This paper provides an update to the measurement done of the role of the creative sector in the Austin area economy, and documents issues influencing this space that emerged from focus groups and individual stakeholder conversations. The report concludes with a brief discussion of the overall findings and recommendations related to the role of the creative sector in the Austin economy.

### New City of Austin Cultural Arts Support Programs

The sustainability of arts and culture organizations, and the creative sector in general, continues to be a priority for the City of Austin. In 2016, City Council passed the Austin Music and Creative Ecosystem Omnibus Resolution, which emphasized a need to identify and solve issues facing the local arts and entertainment sector, specifically the issue of affordable space for artists and other creative organizations. A number of efforts have emerged in response to this council directive.

The City's Economic Development Department initiated a one-time grant program in the summer of 2017. The Art Space Assistance Program (ASAP) provided grants to support creative non-profits who had been or were facing imminent displacement or were facing lease renewals at substantially higher rates. The grant funding, available for either tenant improvements or rent assistance, was contingent upon organizations maintaining current employment levels as well as agreeing to participate in professional development and career development opportunities in partnership with the City and the School District. The program was funded with a budget of \$200,000 and received 17 applications totaling more than \$543,500 in requested financial assistance. Partial grant funding was provided to 12 of the 17 applicants.

Additionally, the Cultural Arts Division of the City's Economic Development Department also launched the Creative Space Survey in 2017. This project collects data on existing performance, administrative, and exhibition space for creatives in order to inform further City efforts to address the creative space affordability in Austin. The survey will be conducted annually to update the City's understanding of the creative space landscape and the evolving needs of the creative sector. The Creative Space Survey will inform the City's ongoing policies, programs, and partnerships related to affordable creative space.

## Definitions

Any effort to measure the role of the creative sector in a local economy will by definition involve classification decisions by the analyst, since the creative sector does not map directly to standard industrial classification patterns. In this case, TXP has defined six broad categories of activity as comprising the creative sector:

- 1) Music (which includes production, music video, industry, tour, and recording services, performers, and commercial music);
- 2) Film and visual media (including film, television, and commercial production);
- 3) Gaming and digital media;
- 4) Not-for-profit arts groups;
- 5) Visual arts (galleries, photographers, and other commercial visual artists); and
- 6) Culture-related tourism (broken down into tourism influenced by music and other culture-influenced tourism).

These categorizations and their definitions are consistent with those used in the most recent study.

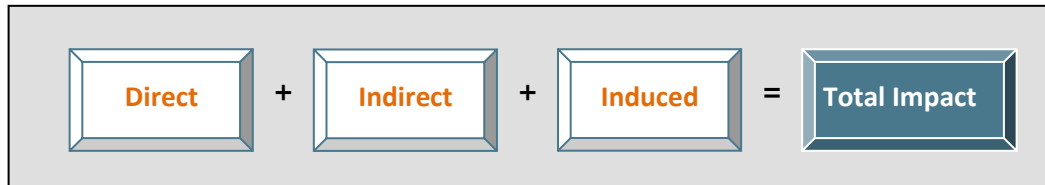
## Economic Impact Methodology

In an input-output analysis of new economic activity, it is useful to distinguish three types of expenditure effects: direct, indirect, and induced. Direct effects are production changes associated with the immediate effects or final demand changes. The payment made by an out-of-town visitor to a hotel operator is an example of a direct effect, as would be the taxi fare that visitor paid to be transported into town from the airport.

Indirect effects are production changes in backward-linked industries caused by the changing input needs of directly affected industries – typically, additional purchases to produce additional output. Satisfying the demand for an overnight stay will require the hotel operator to purchase additional cleaning supplies and services, for example, and the taxi driver will have to replace the gasoline consumed during the trip from the airport. These downstream purchases affect the economic status of other local merchants and workers.

Induced effects are the changes in regional household spending patterns caused by changes in household income generated from the direct and indirect effects. Both the hotel operator and taxi driver experience increased income from the visitor's stay, for example, as do the cleaning supplies outlet and the gas station proprietor. Induced effects capture the way in which this increased income is in turn spent in the local economy.

**Figure 1: The Flow of Economic Impacts**



Once the ripple effects have been calculated, the results can be expressed in a number of ways. Four of the most common are “Output,” equivalent to sales; “Value-Added,” which describes the difference between a firm’s top-line revenue and its cost of goods sold (exclusive of labor-related costs); “Earnings,” which represents the compensation to employees and proprietors; and “Employment,” which refers to permanent, full-time jobs that have been created in the local economy. The interdependence between different sectors of the economy is reflected in the concept of a “multiplier.” An output multiplier, for example, divides the total (direct, indirect and induced) effects of an initial spending injection by the value of that injection – i.e., the direct effect. The higher the multiplier, the greater the interdependence among different sectors of the economy.

## The Current State of Austin’s Creative Sector

### Economic Impact Results

In 2016, the creative sector of Austin’s economy accounted for just under \$5.9 billion in economic activity, \$3.6 billion in value-added, \$1.9 billion in labor compensation, over \$106 million in City tax revenues, and over 55,000 permanent jobs. The creative sector (as measured by employment) has risen by about 14% since 2010, a pace about half the local economy as a whole. Among individual segments, digital media, film, and tourism experienced the most rapid growth, as digital assumes a greater share of the overall visual arts (and the creative pie in general), and high-profile events continue to drive visitor spending.

The sections that follow summarize previous analysis and review current issues for the music, film, gaming, and not-for-profit segments. See Appendix 1 for detailed results.

**Figure 2: Total Creative Sector Economic Impacts in 2010 (\$Millions)**

2010	Output	Value-Add	Earnings	Jobs	City Tax Rev.
Music	\$856.10	\$325.63	\$156.52	7,957	\$9.66
Film	\$282.70	\$187.96	\$73.66	2,748	\$1.08
Gaming	\$990.74	\$256.27	\$122.58	7,274	\$1.21
Not-for-Profit	\$497.67	\$303.45	\$157.34	8,781	\$5.66
Visual Arts	\$283.80	\$143.92	\$64.48	3,851	\$3.23
Tourism/Music	\$806.25	\$485.19	\$244.65	10,191	\$28.40
Tourism/Other	\$634.61	\$381.90	\$192.57	8,021	\$22.35
<b>Total Annual</b>	<b>\$4,351.88</b>	<b>\$2,084.31</b>	<b>\$1,011.80</b>	<b>48,822</b>	<b>\$71.60</b>

**Figure 3: 2016 Economic Impact of the Creative Sector in Austin (\$Millions)**

2016	Output	Value-Add	Earnings	Jobs	City Tax Rev.
Music	\$779.94	\$436.01	\$194.96	6,220	\$8.19
Film	\$760.77	\$513.74	\$320.44	4,104	\$4.91
Gaming	\$1,223.62	\$762.91	\$445.62	7,376	\$7.48
Not-for-Profit	\$593.49	\$361.87	\$183.97	8,914	\$6.63
Visual Arts	\$440.91	\$292.09	\$125.79	5,148	\$4.82
Tourism/Music	\$1,212.92	\$729.92	\$367.01	15,331	\$42.60
Tourism/Other	\$866.37	\$521.37	\$262.15	8,550	\$30.43
<b>Total Annual</b>	<b>\$5,878.03</b>	<b>\$3,617.91</b>	<b>\$1,899.94</b>	<b>55,643</b>	<b>\$106.05</b>

Source: TXP

### Themes from Stakeholder Focus Groups

As in previous studies, community input was means to identify the issues, trends, and shifting industry structure that informs the analysis of Austin’s creative sector. Stakeholders in the cultural arts, gaming and digital media, film, and music sectors were invited to attend a series of roundtable discussions to share their expertise and perspectives on the current and future state of both their specific segment and the creative sector overall. Those who were unable to attend in person were asked to respond via email to a set of common questions. Specifically, these discussions focused on the immediate past and future of the creative sector in Austin, that is, how these industries had evolved in the past five years and what was expected to be major challenges and opportunities in the near future. Stakeholders were also asked to comment on the City’s capacity to provide support. This part of the discussion focused on both the strengths and weaknesses of the City’s policies and programs as they related to the creative sector as well as examples from other cities for best practices in the support of their creative sector. From this discussion in the industry-specific focus groups, a number of common themes emerged.



Five years ago, stakeholders had a general sense that creative sector was in flux, as almost every segment was facing fundamental shifts in the production, distribution, or monetization of their products in the wake of a national recession. By contrast, current participants indicated that there had not been dramatic changes to the creative economy ecosystem in the past five years, though industry-specific issues and business models continue to evolve. Specifically: in film, commercials are now central to the financial viability of production companies. In the game development sector, user acquisition and mobile platforms are vital. In the music sector, live performance is firmly the dominant revenue generator. However, in spite of these specific shifts, many of the same challenges facing the overall creative sector in Austin five years ago remain in place. In fact, several participants stated that the Findings and Recommendations found in the previous creative sector analysis were still valid today.

Overall, there was a sense that Austin is on the cusp of a decline, in terms of its creative sector and its artistic soul. Stakeholders were adamant that creatives still want to live and make art here, and the majority agree that Austin maintains its reputation and cachet. However, there was a recurring sentiment that the challenges of being a creative in Austin are too great, and many are considering relocating. Austin's skyrocketing rents, both for residential and commercial space, and the negative impact of transportation on quality of life were identified as primary reasons a creative would consider leaving Austin. These concerns are not unique to the creative sector, as affordability and accessibility are issues for Austin residents in general, especially those with lower incomes. Other communities are perceived to be openly courting creatives with a more supportive environment in the form of financial incentives, public sector programs, or a smaller but vibrant and collaborative local community in a specific industry.

Stakeholders did emphasize that the City is a major player in the financial support for the arts, cultural non-profits, and the creative sector in Austin. While state incentives for arts and entertainment and federal spending on the cultural arts are both being decreased or programs ended completely, the City of Austin has maintained its financial support for the local creative sector. Cultural Contracts continue to be essential for the continued operation of many creative non-profit organizations, as creative philanthropy in Austin is seen as below the level of comparable communities. The diversity and abundance of cultural arts offerings, as well as the younger demographic of Austin's residents, contributes to a local willingness to attend a variety of arts and culture performances or exhibitions. However, this does not translate into an interest in continued investment in local cultural arts organizations as patrons by local residents.

Rising costs of occupancy are evident as many non-profit arts organizations struggle to maintain production, performance, and exhibition space. Stakeholders indicated that the

past few years has seen a net decline in available artistic capacity as some organizations and venues have been displaced and unable to find new space. Non-profit arts organizations emphasized that their goal of serving the wider Austin community and being participants in their local neighborhoods ran in direct conflict with relocating their performance and exhibition spaces. Additionally, both the film and music industry sector stakeholders stated that Austin did not have the range of venues that the industry would ideally be able to access.

While Cultural Contracts are a huge asset for local artists, concerns were expressed about City regulatory environment related to the creative sector. Specifically, the process related to accessing City spaces was seen as cumbersome. This included both the management of the use of performance venues as well as permitting for filming on City owned properties. Part of the problem is the diffusion of responsibility to individual departments, as stakeholders indicated the different procedures required by each department could be hard to navigate. This was the case both for small operations and non-profit organizations who do not have the manpower or budget for navigating these regulations as well as larger private sector enterprises trying to move quickly to accommodate tight industry-specific timelines. Permitting of renovation or redevelopment of privately owned space was also identified as an issue.

## Findings

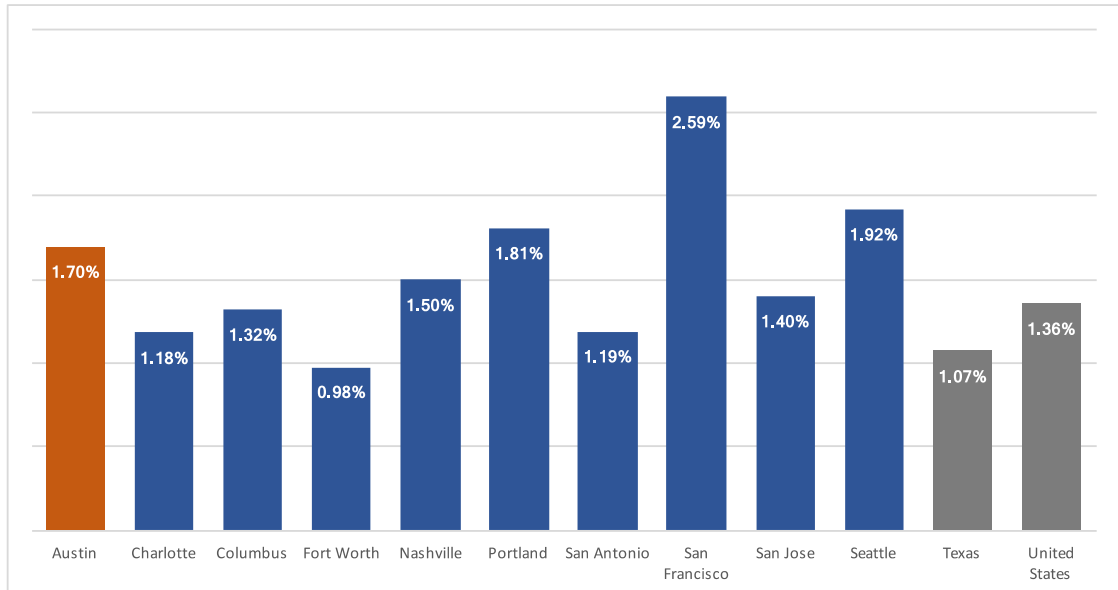
The findings that follow are based on evaluation of data, industry and overall economic trends, input from local stakeholders, and previous work. The goal was to identify significant forces leading to recommendations that translate into action.

### Finding #1

**While Austin remains a creative center, other parts of the country are closing the gap.**

Austin continues to be among the leaders in creativity as a share of the economy among its peer group of cities. While the official data on creative occupations fails to capture the full extent of activity in these sectors, it does allow an apple-to-apples comparison across regions, with the results presented in the chart below. The Bay Area remains far and away the leader among this peer group, followed by Seattle, Portland, and then Austin. When compared to the state and nation, creativity in Austin remains well above the norm.

**Figure 4: 2016 Creative Occupations as a Share of Total Employment**



**Finding #2**

**Costs are the elephant in the room.**

Every stakeholder group (and most individual stakeholders) brought up the issue of cost as a major impediment to the vitality and sustainability of the creative sector in Austin. This trend has been a long time coming, but it appears to have reached critical mass, especially for those whose income isn't tied to either tourism or digital content, e.g., most musicians and not-for-profit creatives. Over and over, we heard about cost-related challenges, with a particular emphasis on real estate (housing and a place to perform their work). Some of this is already reflected in the numbers, as the number of FTE working musicians appears to have declined since the most recent analysis done for the Austin Music Foundation several years ago, and anecdotal evidence suggests its happening in other segments of the creative economy as well. In terms of economic impact, tourism can continue to mask these trends for some time, but sooner or later the impact will be felt.

**Finding #3**

**Content and experience/performance remain the classifications, but 1) tourism has assumed a greater role in supporting experience/performance, and 2) the content platform has evolved to be mobile-centered.**

The economic impact results and segment reports reflect traditional categorizations used in previous analyses. However, a theme for some time now is that creativity is best viewed as an inter-connected whole, rather than in these traditional "silos." This message was heard over and over again in stakeholder conversations. What was said previously is still true: "to the extent that each has a strong local presence, the opportunity for synergy and overall

growth is enhanced. This in turn enhances the ongoing appeal for the proverbial creative class, including both existing and potential residents.” Monetization (i.e., turning intellectual capital into revenue) remains a key issue for content providers, while public policy issues (regulations, operational funding, etc.) are prominent for the experience/performance side of the equation. All are concerned with costs.

There are two key messages that emerge: 1) creativity is best viewed as the sum of its parts; and 2) policy should reflect this orientation.

## Recommendations

The following recommendations are based on the findings articulated above. In general, these should be viewed as providing guidance, rather as outlining a specific program of work.

### Recommendation #1

**The City should comprehensively examine its relationship with the creative sector through an economic development lens.**

#### *City Incentive Policy*

There are a range of implications for City policy, both in terms of funding priorities and operations, in viewing the creative sector as more of an integrated whole. One is the idea that funding for creative infrastructure (particularly tax abatements or other funding mechanisms for facilities, but also including loan guarantees, marketing, business development, etc.) could assume a larger role. There is precedent for this orientation (e.g., bond funding several years ago for specific creative space and the music loan guarantee fund) and the relationship with Austin City Limits for both improvements to Zilker Park and the development of the Moody Theater as part of Block 21 are examples of extending the idea to include public-private partnerships. As business models and organizational structures continue to evolve, resources that provide foundational support to the sector as a whole are likely to be efficient, especially to the extent that they can leverage additional private-sector or philanthropic funding. As a part of this effort, the City could reevaluate the current requirements and structure of its financial support for the creative sector to ensure that they align with current community priorities.

#### *Facilitation of Support Capacity*

Many stakeholders emphasized the difficulty in transitioning from an emerging artist or organization to a professional creative endeavor. Having access to shared performance, exhibition, and production space would allow these spaces to be more efficiently used as well as sharing the cost among different creatives. An incubator(s) for the creative sector or cultural arts would allow the City to promote collaboration and crosspollination across industries and from both new talents and more established professionals. Shared incubator-

type space would also create a location(s) for trainings, community engagement, and regulatory or financial assistance. Other communities, such as San Francisco and Toronto, have had success with similar creative placemaking and incubation efforts. An important lesson from the experience of other communities is the value in soliciting proposals as to the design, structure, and funding of this space directly from creative sector stakeholders. In this way, it would be possible to create an incubator where the space is potentially owned by the City, but is managed and operated by a partner organization.

#### *Access to City Facilities*

The current regulatory climate in City departments permits the reservation and use of City spaces, such as performance venues and parks, by members of the community including the creative sector. However, by taking an active role to promote and facilitate the use of these spaces by cultural arts organizations and creative enterprises, the City could magnify the audience and impact of these activities. Specific policy changes can be implemented to assist in expediting the requests of the creative sector to use public space, such as:

- Any department which requires a permit to be pulled for a creative activity, such as filming, should have an online calendar of availability for its spaces.
- Permitting should be managed electronically with a single point of contact, be it an identified individual in the department or a designated liaison between the Economic Development Department and their colleagues in the rest of City staff.
- A pre-approval, or known vendor/user, list should be generated for organization and companies that will need to make repeated use of City spaces.

Essentially, the need is for City departments to see themselves as potential partners in these creative activities and move towards a culture of active support for these endeavors, rather than tacit acceptance.

#### **Recommendation #2**

##### **The City should continue to investigate new opportunities for partnership and collaboration to support the creative sector in Austin.**

As the economic environment and needs of the creative sector continue to evolve, leveraging new partnerships is essential to provide innovative and effective support for Austin's creatives. Efforts to take stock of current resources, such as the Creative Space Survey, as well as soliciting feedback from the community, are a vital first step to ensuring the City's resources are used in line both with the community's values but also its needs. Within the City of Austin, the need for spaces for artists to work, rehearse, and perform has reached critical levels over the past few years. The tremendous growth fueling the city's rapidly growing economy has caused a dramatic increase in rents in the spaces that local artists have traditionally used for their work.

An example of the partnership mindset is the Arts in Sacred Places program, which is designed to create mutually-beneficial space sharing relationships between artists and diverse congregations. This approach has a number of advantages, not the least of which is that the cost of occupancy for the artists, which typically will reflect largely the marginal costs for the congregation, tends to be well below market for comparable space. As a result, its not surprising that there is interest. According to Partners for Sacred Spaces, the program's co-sponsor with the City, "98% of surveyed Austin artists see an urgent need for creative space, 85% of surveyed Austin artists are receptive to associating their work with a sacred place, and 40% more artists responded to our survey in Austin than any other city in the study."

### Recommendation #3

#### **Austin should examine its branding and marketing related to creativity.**

According to KUT, the conversation around branding Austin music came to a head on August 29, 1991, when Austin, by Council resolution, proclaimed itself the Live Music Capital of the World. There is no doubt that this slogan has served the community well, and may well be appropriate going forward. However, the evolution of local creativity and its role in the economy suggests that the question of our outward-facing brand identity and overall marketing strategy should be reevaluated.

### Conclusion

Creativity is fundamental to Austin, as the role of innovation and intellectual capital is now integral to almost all aspects of our economic base. However, the impact of rising costs is something of the canary in the coal mine, as artists of all disciplines find it increasingly challenging to live and create here. Artists have always been the peak of the creativity pyramid; the work they do and the environment they help create supports the commercialization of creativity in a variety of other sectors of the economy. This is analogous to what often happens at the micro level:

- artists discover a lower-cost neighborhood and stimulate an environment that is appealing to the professional creative class (as well as tourists);
- property values rise and upscale consumer amenities proliferate; and
- artists move to the next neighborhood to begin the cycle again.

At the macro level, this process of reinvention and renewal is in danger, as rising costs prompt an increasingly mobile artist population to consider relocating elsewhere. If that occurs, the cycle is broken; while Austin may continue to reap the benefits of the influence of artists past for a while, the culture and quality of life that defines the community will be undermined, and there will be economic repercussions. The task is to blunt the impact of rising costs, and enable local artistic creativity to remain both vibrant and viable.

## Appendix 1: Detailed Economic Impacts by Sector

### A1.1: Detailed Music Economic Impacts (2016)

	Output	Value-Added	Earnings	Jobs
<b>Agriculture, etc.</b>	\$190,057	\$76,023	\$35,357	2
<b>Mining</b>	\$969,289	\$494,148	\$194,464	1
<b>Utilities</b>	\$7,279,174	\$4,675,396	\$1,343,567	12
<b>Construction</b>	\$2,698,806	\$1,330,397	\$919,283	22
<b>Manufacturing</b>	\$22,502,719	\$8,590,565	\$4,826,235	80
<b>Wholesale Trade</b>	\$12,524,740	\$8,457,525	\$3,641,775	52
<b>Retail Trade</b>	\$23,947,151	\$15,698,688	\$7,584,084	287
<b>Transport &amp; Warehousing</b>	\$9,464,826	\$5,283,578	\$3,358,918	81
<b>Information</b>	\$277,273,794	\$108,693,456	\$53,689,657	920
<b>Finance &amp; Insurance</b>	\$36,604,930	\$21,419,396	\$9,458,007	158
<b>Real Estate</b>	\$52,721,743	\$39,265,725	\$3,747,846	149
<b>Professional Services</b>	\$43,713,053	\$30,219,023	\$19,004,406	297
<b>Management of Firms</b>	\$2,698,806	\$1,653,494	\$1,043,033	12
<b>Administrative Services</b>	\$19,119,709	\$13,132,922	\$8,291,225	376
<b>Educational Services</b>	\$3,744,118	\$2,128,636	\$1,396,603	51
<b>Health care</b>	\$23,319,963	\$14,425,307	\$10,165,148	240
<b>Arts/Entertain/Recreation</b>	\$209,689,614	\$143,435,830	\$57,048,576	3,043
<b>Accommodation</b>	\$4,960,481	\$3,192,953	\$1,343,567	49
<b>Food Services</b>	\$11,935,564	\$6,214,856	\$3,518,025	217
<b>Other Services</b>	\$14,577,353	\$7,336,191	\$4,083,738	146
<b>Households</b>	NA	NA	\$265,178	25
<b>Total Annual</b>	<b>\$779,935,890</b>	<b>\$436,009,193</b>	<b>\$194,958,690</b>	<b>6,220</b>

## A1.2: Detailed Film Economic Impacts (2016)

	Output	Value-Added	Earnings	Jobs
<b>Agriculture, etc.</b>	\$173,840	\$92,324	\$57,581	1
<b>Mining</b>	\$956,120	\$507,782	\$316,694	1
<b>Utilities</b>	\$7,953,177	\$5,447,121	\$3,397,261	8
<b>Construction</b>	\$3,042,199	\$1,615,671	\$1,007,662	16
<b>Manufacturing</b>	\$21,165,011	\$8,401,491	\$5,239,843	46
<b>Wholesale Trade</b>	\$11,516,895	\$8,263,005	\$5,153,472	31
<b>Retail Trade</b>	\$21,121,551	\$14,725,691	\$9,184,120	164
<b>Transport &amp; Warehousing</b>	\$6,953,597	\$4,154,584	\$2,591,131	37
<b>Information</b>	\$489,402,861	\$331,997,390	\$207,060,167	2,732
<b>Finance &amp; Insurance</b>	\$31,421,567	\$19,341,895	\$12,063,155	85
<b>Real Estate</b>	\$57,410,637	\$45,608,095	\$28,444,862	128
<b>Professional Services</b>	\$32,986,127	\$24,004,261	\$14,970,980	140
<b>Management of Firms</b>	\$2,216,459	\$1,431,023	\$892,501	7
<b>Administrative Services</b>	\$17,862,053	\$13,202,343	\$8,234,039	241
<b>Educational Services</b>	\$3,129,119	\$1,892,644	\$1,180,404	28
<b>Health care</b>	\$21,078,091	\$13,848,612	\$8,637,104	140
<b>Arts/Entertain/Recreation</b>	\$6,997,057	\$4,754,690	\$2,965,406	72
<b>Accommodation</b>	\$2,998,739	\$2,031,130	\$1,266,775	19
<b>Food Services</b>	\$9,343,896	\$5,170,148	\$3,224,519	110
<b>Other Services</b>	\$13,037,995	\$6,970,468	\$4,347,342	84
<b>Households</b>	NA	NA	\$172,742	14
<b>Total Annual</b>	<b>\$760,766,991</b>	<b>\$513,737,340</b>	<b>\$320,407,758</b>	<b>4,104</b>



### A1.3: Detailed Gaming & Digital Media Economic Impacts (2016)

	Output	Value-Added	Earnings	Jobs
<b>Agriculture, etc.</b>	\$400,380	\$174,420	\$61,806	3
<b>Mining</b>	\$1,817,111	\$872,100	\$401,742	2
<b>Utilities</b>	\$12,812,170	\$7,703,548	\$2,564,970	14
<b>Construction</b>	\$5,050,952	\$2,354,669	\$1,823,292	27
<b>Manufacturing</b>	\$23,160,461	\$8,401,228	\$4,728,197	52
<b>Wholesale Trade</b>	\$23,622,438	\$15,058,256	\$7,416,780	64
<b>Retail Trade</b>	\$49,308,375	\$30,494,421	\$16,842,271	390
<b>Transport &amp; Warehousing</b>	\$10,933,462	\$5,494,228	\$4,079,229	61
<b>Information</b>	\$51,371,873	\$25,959,503	\$11,434,202	110
<b>Finance &amp; Insurance</b>	\$65,446,781	\$35,581,670	\$17,985,691	183
<b>Real Estate</b>	\$106,162,378	\$74,448,249	\$7,818,522	196
<b>Professional Services</b>	\$371,460,530	\$242,356,521	\$201,798,216	1,448
<b>Management of Firms</b>	\$4,619,773	\$2,703,509	\$1,916,001	14
<b>Administrative Services</b>	\$47,306,473	\$31,686,291	\$23,548,276	673
<b>Educational Services</b>	\$7,607,226	\$4,098,869	\$3,090,325	70
<b>Health care</b>	\$49,369,972	\$28,808,362	\$23,208,340	335
<b>Arts/Entertain/Recreation</b>	\$335,118,317	\$217,327,258	\$98,457,751	3,194
<b>Accommodation</b>	\$7,360,838	\$4,476,779	\$2,163,227	48
<b>Food Services</b>	\$22,544,491	\$11,075,667	\$7,169,554	270
<b>Other Services</b>	\$28,149,815	\$13,284,986	\$8,529,297	188
<b>Households</b>	NA	NA	\$587,162	34
<b>Total Annual</b>	<b>\$1,223,623,816</b>	<b>\$762,912,863</b>	<b>\$445,624,851</b>	<b>7,376</b>

#### A1.4: Detailed Not-for-Profits Economic Impacts (2016)

	Output	Value-Added	Earnings	Jobs
Agriculture, etc.	\$213,066	\$86,504	\$29,663	2
Mining	\$1,187,005	\$605,093	\$238,982	2
Utilities	\$9,429,223	\$5,761,547	\$1,828,040	16
Construction	\$3,240,206	\$1,610,398	\$1,158,113	26
Manufacturing	\$13,753,839	\$5,277,656	\$2,872,507	53
Wholesale Trade	\$13,553,497	\$9,144,534	\$4,144,738	57
Retail Trade	\$77,896,104	\$51,026,219	\$26,014,043	950
Transport & Warehousing	\$8,255,565	\$4,530,308	\$3,015,310	68
Information	\$23,416,290	\$12,604,928	\$5,646,836	84
Finance & Insurance	\$31,716,297	\$18,311,940	\$8,536,131	137
Real Estate	\$54,612,737	\$40,615,585	\$4,254,534	172
Professional Services	\$26,557,428	\$18,000,234	\$12,051,072	181
Management of Firms	\$2,921,160	\$1,813,064	\$1,184,423	14
Administrative Services	\$18,984,375	\$13,055,651	\$8,724,780	373
Educational Services	\$3,493,186	\$1,989,656	\$1,374,643	50
Health care	\$20,851,187	\$12,912,850	\$9,601,159	228
Arts/Entertain/Recreation	\$152,467,773	\$87,792,183	\$54,285,293	4,762
Accommodation	\$68,870,261	\$44,326,083	\$19,801,241	689
Food Services	\$47,735,030	\$24,836,534	\$14,839,373	884
Other Services	\$14,335,630	\$7,321,738	\$4,121,598	146
Households	\$0	\$249,617	\$244,786	22
<b>Total Annual</b>	<b>\$593,489,861</b>	<b>\$361,872,321</b>	<b>\$183,967,266</b>	<b>8,914</b>

### A1.5: Detailed Visual Arts Economic Impacts (2016)

	Output	Value-Added	Earnings	Jobs
Agriculture, etc.	\$122,686	\$49,075	\$23,578	1
Mining	\$539,820	\$269,910	\$117,892	1
Utilities	\$3,852,350	\$2,453,726	\$730,931	6
Construction	\$1,496,773	\$736,118	\$518,725	12
Manufacturing	\$6,870,434	\$2,650,024	\$1,391,126	25
Wholesale Trade	\$6,894,971	\$4,662,080	\$2,074,900	28
Retail Trade	\$15,016,805	\$9,839,443	\$4,904,309	180
Transport & Warehousing	\$3,754,201	\$2,012,056	\$1,343,969	33
Information	\$16,955,249	\$8,661,654	\$3,654,653	57
Finance & Insurance	\$20,071,481	\$11,483,439	\$5,328,720	86
Real Estate	\$30,156,297	\$22,328,910	\$2,074,900	82
Professional Services	\$24,635,412	\$17,176,084	\$11,152,587	174
Management of Firms	\$1,766,683	\$1,079,640	\$707,352	8
Administrative Services	\$11,287,141	\$7,802,850	\$5,116,515	222
Educational Services	\$2,380,115	\$1,349,549	\$919,558	33
Health care	\$14,575,134	\$9,005,176	\$6,554,797	150
Arts/Entertain/Recreation	\$264,290,863	\$181,845,658	\$74,224,829	3,820
Accommodation	\$1,791,220	\$1,153,251	\$495,147	18
Food Services	\$6,085,241	\$3,165,307	\$1,862,694	111
Other Services	\$8,367,207	\$4,195,872	\$2,428,576	84
Households	NA	NA	\$165,049	15
<b>Total Annual</b>	<b>\$440,910,084</b>	<b>\$292,091,582</b>	<b>\$125,790,808</b>	<b>5,148</b>

### A1.6a: Detailed Music-Influenced Tourism Impacts (2016)

	Output	Value-Added	Earnings	Jobs
Agriculture, etc.	\$521,139	\$178,822	\$62,839	4
Mining	\$2,922,468	\$1,483,374	\$611,408	4
Utilities	\$23,590,923	\$14,109,933	\$4,655,192	46
Construction	\$7,544,599	\$3,762,081	\$2,753,034	71
Manufacturing	\$31,952,996	\$11,875,506	\$6,479,225	131
Wholesale Trade	\$29,996,168	\$20,229,063	\$9,335,859	144
Retail Trade	\$94,098,013	\$61,634,096	\$31,957,952	1,314
Transport & Warehousing	\$16,703,709	\$9,038,191	\$6,307,692	158
Information	\$46,575,553	\$25,346,788	\$11,402,757	187
Finance & Insurance	\$65,736,791	\$38,044,876	\$18,111,261	329
Real Estate	\$109,618,088	\$81,144,464	\$8,209,850	365
Professional Services	\$49,324,308	\$32,983,353	\$23,021,206	370
Management of Firms	\$7,009,835	\$4,347,937	\$2,873,617	38
Administrative Services	\$31,494,870	\$20,826,841	\$13,644,586	605
Educational Services	\$6,851,450	\$3,884,702	\$2,805,683	117
Health care	\$40,970,750	\$25,382,552	\$19,206,700	531
Arts/Entertain/Recreation	\$148,315,239	\$89,489,505	\$52,491,067	2,587
Accommodation	\$210,598,206	\$135,549,029	\$61,568,776	2,412
Food Services	\$260,075,790	\$135,315,708	\$82,210,587	5,513
Other Services	\$29,023,716	\$14,791,161	\$8,805,972	356
Households	NA	NA	\$495,920	50
<b>Total Annual</b>	<b>\$1,212,924,611</b>	<b>\$729,915,281</b>	<b>\$367,011,183</b>	<b>15,331</b>

### A1.6b: Detailed Other Culture-Influenced Tourism Impacts (2016)

	Output	Value-Added	Earnings	Jobs
Agriculture, etc.	\$372,242	\$127,730	\$44,885	2
Mining	\$2,087,477	\$1,059,553	\$436,720	2
Utilities	\$16,850,659	\$10,078,524	\$3,325,137	25
Construction	\$5,388,999	\$2,687,201	\$1,966,453	39
Manufacturing	\$22,823,568	\$8,482,504	\$4,628,018	73
Wholesale Trade	\$21,425,835	\$14,449,331	\$6,668,471	80
Retail Trade	\$67,212,866	\$44,024,354	\$22,827,108	733
Transport & Warehousing	\$11,931,220	\$6,455,851	\$4,505,494	88
Information	\$33,268,252	\$18,104,848	\$8,144,827	104
Finance & Insurance	\$46,954,851	\$27,174,912	\$12,936,615	183
Real Estate	\$78,298,634	\$57,960,331	\$5,864,178	204
Professional Services	\$35,231,648	\$23,559,538	\$16,443,719	206
Management of Firms	\$5,007,025	\$3,105,669	\$2,052,584	21
Administrative Services	\$22,496,336	\$14,876,315	\$9,746,133	337
Educational Services	\$4,893,893	\$2,774,787	\$2,004,059	65
Health care	\$29,264,822	\$18,130,395	\$13,719,071	296
Arts/Entertain/Recreation	\$105,939,457	\$63,921,075	\$37,493,619	1,443
Accommodation	\$150,427,290	\$96,820,735	\$43,977,697	1,345
Food Services	\$185,768,421	\$96,654,077	\$58,721,847	3,075
Other Services	\$20,731,225	\$10,565,115	\$6,289,980	198
Households	NA	NA	\$354,228	28
<b>Total Annual</b>	<b>\$866,374,722</b>	<b>\$521,368,058</b>	<b>\$262,150,845</b>	<b>8,550</b>

## Appendix 2: Focus Group Participants

The following is a list of the industry sector participants, with their affiliations, at each of the four focus group meetings. Following the meetings, a list of questions and topics discussed was shared with other industry representatives who were unable to attend the focus group discussion. The individuals who responded to this email inquiry have been included in the appropriate sector subgroup and are marked with an asterisk (\*).

Ernest Auerbach (Austin Lyric Opera)  
Danny Gillespie (Austin Music Foundation)  
Colin Kendrick (Austin Music Foundation)  
Catlin Whittington (SXSW)  
Matt Hinsley (Austin Classical Guitar Society)  
Michael Feferman (C3 Presents)  
Heather Wagner Reed (Juice Consulting LLC/Music Commission)  
Harold McMillan (Diverse Arts Culture Works)  
Ed Bailey (Austin City Limits//KLRU)  
\*Ora Shay (Austin Chamber Music Center)  
\*Michael Melinger (Austin Jazz Workshop, Inc.)  
\*Michael Mordecai (musician)  
Susan Kirr (independent producer)  
John Crowley (independent location manager/scout)  
Christian Raymond (Austin Community College RTF)  
Beth Sepko (BSEPKO Casting)  
Janet Pierson (SXSW Film)  
Rebecca Campbell (Austin Film Society)  
Joey Hudgins (location manager/film production)  
Elizabeth Reeder-Neubauer (Alliance Austin and Studio E)  
Donise Hardy (A Casting Place)  
Barbara Morgan (Austin Film Festival)  
\*Lisa McWilliams (Mobile Film School)  
\*Steve White (independent scout/location manager)  
\*Tim League (Alamo Drafthouse)  
\*Robbie Friedmann (independent location manager)  
Jesse Benjamin (Sony Online Entertainment)  
Matt Scibilia (Critical Mass Interactive Inc)  
Brad Woolwine (Critical Mass Interactive Inc)  
Fred Schmidt (Portalarium Inc)  
Gordon Walton (Playdom Austin)  
Tony Schum (Austin Chamber of Commerce)

\*Warren Spector (Junction Point)  
\*Julie Huls (Austin Technology Council)  
Terrence Moline (Team Moline LLC)  
Etta Sanders (New Works Theater Community)  
Marcy Hoen (Austin Creative Alliance)  
Allison Orr (Forklift Danceworks)  
Meredith Powell (Art Alliance Austin)  
Brad Carlin (Fusebox)  
Shea Little (Big Medium)  
Cookie Ruiz (Ballet Austin, Create Austin, and Imagine Austin)  
Laura Esparza (COA/PARD)  
Sylvia Orozco (Mexic-Arte Museum)  
\*Lisa McWilliams (Mobile Film School)

### Appendix 3: Focus Group Questions

Four individual focus groups were held in October 2017. In order to provide some structure and continuity to the conversation, the following questions were asked of each group

1. Describe the current state of your industry in Austin. Has the status of the national and/or state economy/mood influenced the situation?
2. Aside from the overall economic environment, what are the key issues facing your industry locally?
  - a. Business model
  - b. Customers/clients
  - c. Labor Force (cost/quality/availability)
  - d. Access to capital/facilities/equipment
  - e. Regulatory environment
  - f. Other costs
  - g. Competition – Domestic & Foreign
3. What are Austin's strengths? Have they changed in the last several years?
4. What are Austin's weaknesses? Have they changed in the last several years?
5. What could and should the City do to improve the situation? What should other institutional actors be doing?





## Legal Disclaimer

TXP reserves the right to make changes, corrections, and/or improvements at any time and without notice. In addition, TXP disclaims any and all liability for damages incurred directly or indirectly as a result of errors, omissions, or discrepancies. TXP disclaims any liability due to errors, omissions, or discrepancies made by third parties whose material TXP relied on in good faith to produce the report.

Any statements involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that such opinions or estimates will be realized. The information and expressions of opinion contained herein are subject to change without notice, and shall not, under any circumstances, create any implications that there has been no change or updates.