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SXSW's Cancellation Is An 'Economic Shock' For Austin

KUT 90.5 | By [Nathan Bernier](#)

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Julia Reihs/KUT

Fewer visitors and less spending as a result of SXSW's cancellation will have a lasting economic impact on Austin, according to a consulting firm that does an annual economic analysis of the conference's effect on the city.

The [cancellation of South by Southwest](#) will have economic ripple effects for the rest of the year, according to a consulting firm that does an annual [economic analysis](#) of the festival and conference.

"It certainly is a shock, and it's going to be an economic shock," says Greyhill Advisors partner Ben Loftsgaarden.

Greyhill's analysis of SXSW 2019 found an economic impact of \$355.9 million, including spending by people who earn extra money because of South By.

"That money then gets spent in the economy throughout the course of the year. For example, waitstaff earning extra tips during South by Southwest, that eventually will find its way back into our economy," he says.

The cancellation will also mean the loss of tax revenue for the city of Austin. Direct bookings by South by Southwest last year alone produced almost \$1.7 million in hotel occupancy tax revenue for the city, according to Greyhill. It estimates another \$5 million was generated in sales tax.

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Nathan Bernier is the transportation reporter at KUT. He covers the big projects that are reshaping how we get around Austin, like the [I-35 overhaul](#), the [airport's rapid growth](#) and the multibillion-dollar transit expansion [Project Connect](#). He also focuses on the daily changes that affect how we walk, bike and drive around the city. Got a tip? Email him at nbernier@kut.org. Follow him on X [@KUTnathan](#).

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