

## SPECIAL REPORT: Taylor Swift's Impact on the Economy in Los Angeles County

As part of its ongoing effort to report on significant economic trends in California, the Center for Jobs and the Economy is releasing this special report, which provides a detailed analysis of the impact of the Taylor Swift Eras tour on the Los Angeles regional economy. Travel and tourism in this region have still not recovered to pre-pandemic levels, making the economic boom resulting from the six-day tour even more critical for local and regional economies.

Based on the assumptions below, the six nights of The Eras Tour in Los Angeles (Inglewood) is estimated to result in a \$320 million bump to Los Angeles County GDP (direct, indirect, and induced impacts). Area employment will increase 3,300, and local earnings by \$160 million.

The current Taylor Swift tour is estimated to have a substantial economic effect on cities included as venues, with some estimates ranging up to as much as \$5 billion total. Reports from various cities prior to Los Angeles indicate these events have had a major revitalizing effect on local tourism industries and downtowns still struggling from the effects of the pandemic.

Los Angeles will be no different. The local tourism industry, while improving, is still short of recovery to pre-pandemic levels. Hotel jobs in the City of Los Angeles are still an estimated 15% below their pre-pandemic peak.

The estimates above cover only economic activity from the 6 venue dates. Especially for attendees coming in from out of town, additional spending is likely as many stay over to visit other tourist destinations in the region.



## Summary Economic Impacts: "The Eras Tour"

Source: see text for calculations and sources

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<b>Total Economic Impacts</b>	
Increase in GDP (million)	\$320
Increase in Local Earnings (million)	\$160
Increase in Employment	3,300

  

<b>Select Fiscal Impacts (million)</b>	
Transient Occupancy Tax	\$9
Discover LA Tourism Assessment	\$1
State & Local Sales Tax	\$20
State Income Tax, Taylor Swift & Companies	\$17

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### Assumptions used in this analysis:

- Six nights of sold-out attendance at the 70,240 seat SoFi stadium. This number is adjusted to 95% to account for seats blocked off for the stage set and free tickets.<sup>1</sup>
- While prices are currently trending lower,<sup>2</sup> the average ticket price for the current tour is reported as around \$700.<sup>3</sup>
- A recent national survey by QuestionPro<sup>4</sup> indicates the average concert goer has spent \$1,328 to attend the current Taylor Swift tour, including tickets, outfits/costumes, merchandise, food and drink, and travel. This amount is adjusted for the ticket price and for an estimated \$34 spent on merchandise.<sup>5</sup> The remainder is then distributed by cost component using estimates of visitor spending from a recent Visit California report.<sup>6</sup> Hotel room rates are assumed to be 16% higher at an average of \$302 during the venue nights,<sup>7</sup> although rates at hotels closer to the stadium are even higher. Considering the much larger size of the overall Los Angeles hotel market (the largest in

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<sup>1</sup> Beyoncé 'Renaissance' Tour Could Outearn Taylor Swift 'Eras' By \$500 Million, Forbes, May 8, 2023.

<sup>2</sup> Taylor Swift 'Eras Tour' LA ticket prices are lower than ever. Get them now, New York Post, August 3, 2023.

<sup>3</sup> Beyoncé 'Renaissance' Tour Could Outearn Taylor Swift 'Eras' By \$500 Million, Forbes, May 8, 2023.

<sup>4</sup> QuestionPro, Generating \$5 billion, the Taylor Swift The Eras Tour has an Economic Impact Greater than 50 Countries, June 8, 2023.

<sup>5</sup> Beyoncé 'Renaissance' Tour Could Outearn Taylor Swift 'Eras' By \$500 Million, Forbes, May 8, 2023.

<sup>6</sup> Visit California, The Economic Impact of Travel, April 2023.

<sup>7</sup> Taylor Swift is About to Boost L.A.'s Economy. Striking Hotel Workers Want Her to Stay Away, Los Angeles Times, July 27, 2023; OTA Insight, The Taylor Swift Economy: The Largest Music Tour in History is a Hospitality Phenomenon, August 3, 2022.

the country), this rate premium is comparable to the increase seen in the larger cities hosting the tour to date.<sup>8</sup>

- Concert expenses which are spent within the region are estimated at 20% of revenues, and the venue is assumed to take 20% of merchandise sales as well.<sup>9</sup> The remainder is assumed to go to Taylor Swift and her management company, both of which are located in Nashville, Tennessee. While this portion of the revenue does not generate additional economic activity in California, it is taxed at California rates. For simplification, the holding entity for the tour is assumed to be taxed at corporate income rates. Operating expenses are assumed at 20%.<sup>10</sup>
- Average resale value for The Era tour tickets in Denver was \$1,605.<sup>11</sup> As a conservative assumption, the analysis assumes that 5% of tickets were in this market, providing additional income to area households.
- Indirect and induced effects were analyzed using the Bureau of Economic Analysis RIMS-II input-output multipliers for Los Angeles County (2021).

#### **ABOUT THE CENTER FOR JOBS AND THE ECONOMY:**

The Center for Jobs and the Economy provides an objective and definitive source of information pertaining to job creation and economic trends in the United States. The Center is a 501(c)(3) public benefit corporation with governance consisting of a board of directors, board of governors and a research advisory council. Learn more at [www.centerforjobs.org](http://www.centerforjobs.org).

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<sup>8</sup> STR, US Hotel Performance Enchanted by Taylor Swift's "The Eras Tour", June 9, 2023.

<sup>9</sup> Beyoncé 'Renaissance' Tour Could Outearn Taylor Swift 'Eras' By \$500 Million, Forbes, May 8, 2023.

<sup>10</sup> Taylor Swift Could Earn \$620 Million On 'Eras' Tour While Ticketmaster Makes A Pittance, Forbes, December 20, 2022.

<sup>11</sup> Common Sense Institute, Swiftonomics: Eras Tour Impact on Colorado, July 2023.