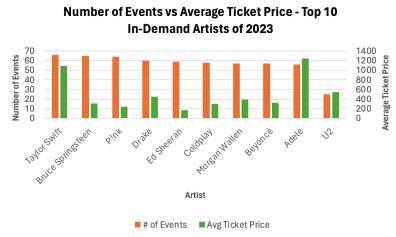
**From Pop Star to Economic Powerhouse**

Throughout the years, pop star Taylor Swift has smashed several musical records, and along the way, she developed an incredibly loyal fanbase. These fans come flocking from other cities, states, and even countries to see her in person. Because of this, words such as “Tay-flation” and “Swift-onomics” have recently found their way into conversations about the economy, and her fans have made headlines regarding their willingness to pay for a Taylor Swift concert experience. In addition to highly-priced concert tickets, the cost of these trips to see her typically include accommodations and food for each individual, resulting in economic booms in each city where she tours.

**Taylor Swift’s Eras Tour**

Mega pop star Taylor Swift is no stranger to sold out crowds, but her current tour, The Eras Tour, created a frenzy amongst concert-goers that led to skyrocketing reservation prices. According to CNBC, the average price of a ticket to the Eras Tour was $1088.56. In comparison, the next highest demand artist of 2023 was Beyoncé, with an average concert ticket price of $323.88 (Vega, 2023). Figure 1 details the number of events versus average ticket price for the top 10 in-demand artists of 2023, according to CNBC. Taylor Swift and Adele considerably surpassed all eight other artists in average ticket price, and only Adele surpassed Taylor Swift in average concert ticket price, despite having fewer shows. After accounting for travel, hotels, food, and clothing, the U.S. Travel Association estimates that fans spent an average of $1300 in each city in which Taylor played.

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Figure 1: Number of Events vs Average Ticket Price - Top 10 In-Demand Artists of 2023 **Local Businesses Reap the Benefits of the Taylor Effect**

Beyond the actual concert-goers, many other fans flock to cities to “Tay-gate”, a phrase they coined to mean watching and listening to the concert from outside the venue. This activity also contributes to the boom in tourism in each city. Additionally, many businesses and venues capitalized on Taylor’s presence in their city by hosting Taylor Swift-themed events. Businesses

in cities created Taylor Swift-themed bar crawls, sunset boat cruises, dance parties, and more. Even the retail industry saw shifts in consumer spending as a result of the Eras Tour. One of Taylor’s iconic song lyrics is “Make the friendship bracelets.” Fans took these words to heart and quite literally created a trend around making friendship bracelets. CNBC states that Etsy sold $5.5 million in friendship bracelets since April 2023, which was a 30% year-over-year increase. Michael’s reported that sales of jewelry-making kits increased 40% since mid-April, and in cities where Swift toured, these sales increased 300% (Williams, 2024). In what is being dubbed “The Swift Lift,” restaurants within 2.5 miles of stadiums saw sales increase 68% per day during the

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days of the tour (Latham, 2024). In fact, the U.S. Travel Association estimates that these forms of indirect spending, combined with the direct spending on concert tickets and merchandise that we have already seen, will add up to Taylor’s total economic impact being *over* $10 billion. **The Impacts on Individual States and Cities**

A report from the Common Sense Institute recently examined the potential overall impact of Taylor Swift’s Denver leg of the Eras Tour on the Colorado economy. They estimated that the state would see an overall GDP contribution of $140 million from the concert. Using an average ticket price of $250 and expecting a full capacity of 76,000 attendees, Figure 2 breaks down the estimated direct portions of this consumer spending. As shown, the majority of this contribution to GDP likely comes from “outside venue” purchases, such as overnight accommodations, food, and retail.

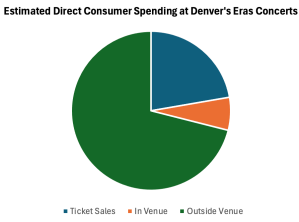


Figure 2: Distribution of Estimated Direct Consumer Spending at Denver’s Eras Concerts Similar to Denver, most other cities on the Eras Tour benefitted from the concert. The Federal Reserve Bank of Philadelphia even commented on Swift’s impact on the region, writing in the Beige Book that “‘Despite the slowing recovery in tourism in the region overall, one

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contact highlighted that May was the strongest month for hotel revenue in Philadelphia since the onset of the pandemic, in large part due to an influx of guests for the Taylor Swift concerts in the city.’” (O’Kane, 2023). California also reaped the benefits of the concert. With five shows in Los Angeles, Taylor Swift’s concert was expected to create 3,300 jobs in the area and increase the

LA County GDP by $320 million, according to the California Center for Jobs & the Economy (Mitra, 2024).

***Long Live* the Taylor Effect**

Swift is actively redefining the entertainment industry, and we have not seen the likes of a single concert having such a strong economic impact in recent times. She has already begun her international leg of the tour, and she will soon travel to Europe to start the next leg. The cities she will visit expect to see similar local economic booms, resulting in an overall positive global economic impact. After the conclusion of the Eras Tour, further research can be conducted to determine its true overall economic effect, but for now, one thing is certain: Taylor Swift has established herself as not only a mega pop star, but also an economic powerhouse.

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