

# The 2024 Economic Impact of Music in Texas

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## TEXAS MUSIC OFFICE

Texas Economic Development & Tourism Office  
Office of Governor Greg Abbott

Produced by



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## Overview

*Almost five years post-pandemic, music-related activity continues to grow, though ongoing shifts in the labor market see a lower volume of employment producing a greater level of overall activity. Specifically, the number of overall jobs directly associated with music in Texas has stagnated, albeit with the jobs that remain paying higher wages.*

*For the first time, the impact of music on travel and tourism is included in the analysis, further completing the picture of the role that music plays in Texas' economy.*

The return on investment associated with economic development is normally a longer-term payback, as external events tend to drive the fortunes of a regional economy in the near term. However, the outlook for Texas remains bright, as the strong influx of both firms and people in the wake of the pandemic remains a positive force. Much of Texas' future will depend on what has brought so many here in the recent past: a highly capable workforce, innovation and entrepreneurship, clusters in knowledge industries, the presence of world-class research universities and other institutions of higher learning, and public policy that supports growth and development. Embedded in the above is the interrelationship between creativity, innovation, and quality of life that forms a substantial piece of the foundation of a modern economy. Music is an integral part of this equation; this brief analysis updates the impact of music on the state's economy completed four times previously, using the same methodology and sources of data, as well as discussing broad areas of additional influence on the Texas economy.

## Inputs and Methodology Used in the Modeling Process

### Inputs

Any effort to measure the role of music in a local economy involves classification decisions by the analyst, since music does not map directly to standard industrial classification patterns. For this study, there are three broad categories of activity that comprise the music sector:

- 1) Music business (which includes commercial music, music-related media, music production, distribution and sales, music industry, tour and recording services, performers, and music-related manufacturing, transportation, and retail activity (including venues));
- 2) Music education (both primary and secondary); and
- 3) Music-related tourism.

On the music business side of the equation, this analysis uses the most current edition of the Texas Music Directory produced by the Texas Music Office as the data source for job estimates. This information is then combined with wage data from the Quarterly Survey of

Employment and Wages (QCEW) maintained by the Texas Workforce Commission to estimate annual wages for each segment within the broad categories. These annual earnings estimates are then crossed against data from the 2017 Economic Census to derive estimates of annual revenue by sector, allowing an overall assessment of the direct “footprint” of music business in Texas. Music education is based on job counts and QCEW data on wages. Meanwhile, data on music event ticket sales in Texas is combined with information on ancillary spending by attendees and shares of attendance by residence, including both overnight and day-visitors, to develop direct spending estimates. See Table 1 below for the results.

**Table 1: Texas Music Industry 2024 Direct “Footprint” (\$Billions)**

	Jobs	Earnings	Revenue/Sales
<b>Music-Related Business</b>	71,385	\$4.039	\$11.327
<b>Music-Related Education</b>	15,447	\$0.842	N.A
<b>Music-Related Tourism</b>	N.A.	N.A.	\$1.206

Source: TXP, Inc. Note: Direct jobs, earnings, or top-line revenue/sales can be used individually as inputs into an input-output analysis outlined below.

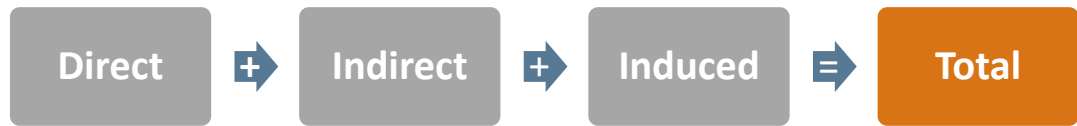
### Economic Impact Methodology

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 visiting for a concert is an example of a direct effect, as would be the taxi fare the 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 presented various ways. Three of the most common are “Output,” equivalent to sales; “Earnings,” which represents the compensation to employees/proprietors; and “Employment,” which refers to permanent, full-time jobs that have been created locally. 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.

## Results

The ripple effects associated with the direct injection outlined in Table One collectively bring the total impact (including the direct effects) to almost 196,000 permanent jobs, \$10.5 billion in earnings, and \$31.7 billion in annual economic activity. The State of Texas also realizes approximately \$564 million in tax revenue from these impacts.

**Table 2: Summary of Texas Music Industry 2024 Total Economic Impact (\$Billions)**

	Jobs	Earnings	Revenue/Sales	TX Tax Rev.
<b>Music-Related Business</b>	145,855	\$8.121	\$24.706	\$0.407
<b>Music-Related Education</b>	24,476	\$1.510	\$4.132	\$0.076
<b>Music-Related Tourism</b>	25,648	\$0.853	\$2.827	\$0.081
<b>Total Annual</b>	<b>195,979</b>	<b>\$10.484</b>	<b>\$31.655</b>	<b>\$0.564</b>

Source: TXP, Inc.

## Conclusion

The figures above show the important role that music plays in Texas’ economy, and the fact that it, in dollar terms, is at an all-time high. There are many factors that drive economic growth in Texas, with an exceptional range of activity and opportunity in music and the creative space clearly a major factor. Texas is a place that appreciates creativity and culture in a variety of forms, and its incredible diversity of the local scene undoubtedly serves to both attract and retain talented people. This in turn has a significant impact on business recruitment, retention, and expansion, as well as local entrepreneurship. Moreover, music is a crucial element of “Brand Texas” that draws visitors from across the globe, the impact of which this report documents for the first time. The creativity expressed through music is a fundamental comparative advantage for Texas—the goal remains to identify the key investments, policies, and regulatory changes necessary for sustainability and growth.



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