

C3 PRESENTS

LOLLAPALOOZA 2022

Economic Impact Study

March 2023



Photo Source: C3 Presents

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Photo Source: C3 Presents

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Executive Summary

The annual Lollapalooza Music Festival continues to contribute significantly to Chicago's economy. Lollapalooza 2022 contributed \$335.4 million to the Chicago economy, which is the equivalent of 2,547 full-time jobs. Additionally, the 2022 festival generated \$4.2 million in amusement tax revenue for the Chicago economy. Since we began tracking economic impact in 2010, Lollapalooza has generated over \$2 billion for the Chicago economy – the equivalent of retaining 22,051 jobs for Chicago employees.



Photo Source: C3 Presents

Introduction

Founded in 1991 by Jane's Addiction front man Perry Farrell, Lollapalooza is a four-day, multi-stage musical extravaganza that takes place every August in historic Grant Park in downtown Chicago. Since its inception, Lollapalooza has grown in size and notoriety. Today, it attracts 100,000 music fans each day for endless amounts of music, food, art and fun.

In 2010, AngelouEconomics (AE) was retained by C3 Presents to evaluate the economic impact of Lollapalooza Music Festival on Chicago's economy.

AE and C3 Presents' long-term partnership enables the impacts to be measured on an annual basis. As this is the **twelfth** year of the partnership, cumulative impacts can continue to be measured and tracked.

In order to model the entire effect of the festival, the analysis considers both expenses for festival operations as well as expenditures of out-of-town festival attendees. The latter has been calculated using survey data provided by C3 Presents, along with AE's proprietary knowledge of music festivals and economic impact analyses.

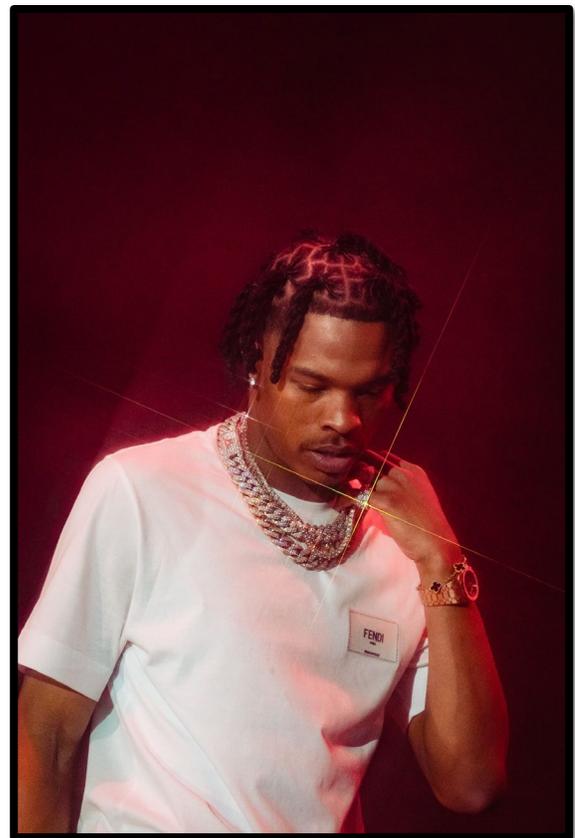


Photo Source: C3 Presents

2022 Lollapalooza Facts

- **100,000 music fans** per day for 4 days
- **Over 150 musical artists** from around the world
- **Dozens of premier food vendors** offering food and drink selections



Photo Source: C3 Presents

Economic Impact Methodology

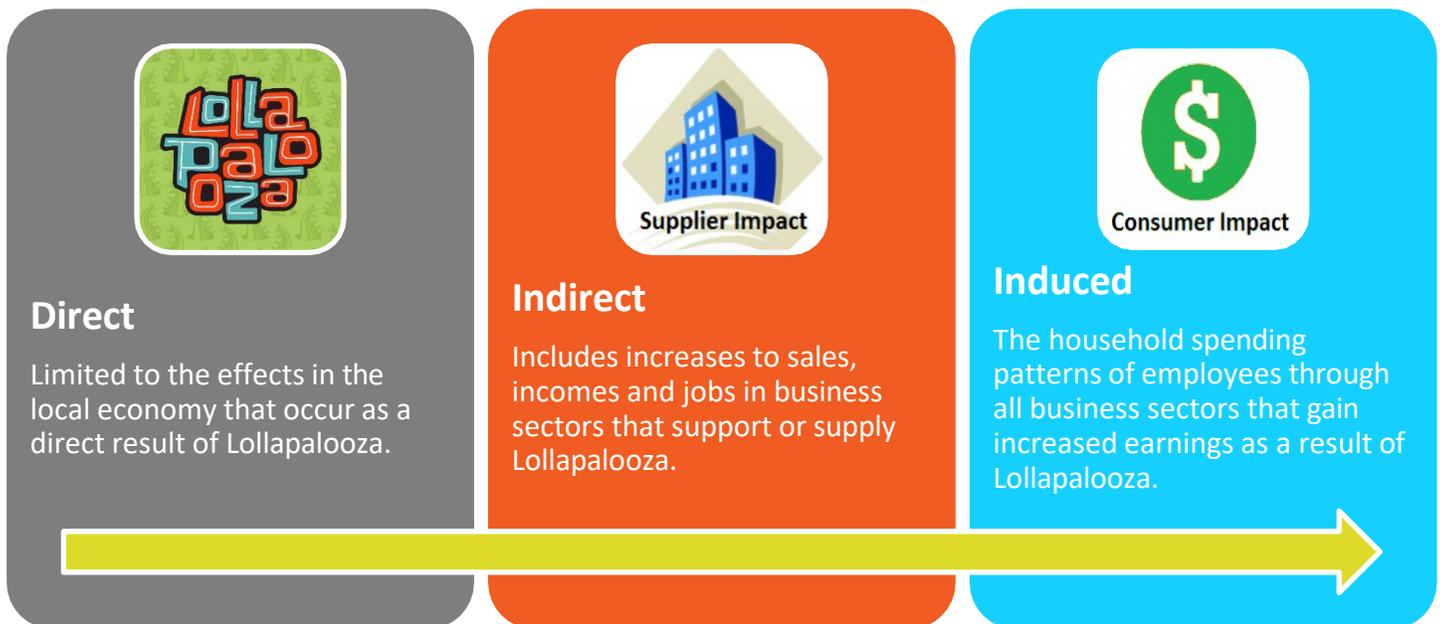
Economic Impact Models & Inputs

- AngelouEconomics employed the IMPLAN (IMpact Analysis for PLANning) model for the analysis of the 2022 Lollapalooza Music Festival. The model utilizes multipliers specific to the Chicago economy, specifically Cook County. The analysis of Lollapalooza is comprised of two models: festival operations and attendee expenditures. The sum of these two impacts create the total economic output of the music festival.
- Festival operations data was provided by C3 Presents and were used to generate the festival operations model. The attendee expenditures model was created using inputs from survey data and assumptions estimating the amount of money spent by attendants on various categories of expenditures.



Model Outputs

- Each of the models generate three different types of effects: direct, indirect and induced effects. The IMPLAN model's calculated outputs include jobs, labor income, total economic output, and state and local tax revenues.



Economic Impact

Total Impact of Lollapalooza Music Festival

TOTAL ECONOMIC IMPACTS			
	Full-Time Job Equivalents	Labor Income	Total Economic Activity
Direct	1,910	\$82,767,907	\$199,632,129
Indirect	285	\$27,016,363	\$67,510,625
Induced	352	\$25,507,672	\$68,302,199
TOTAL*	2,547	\$135,291,941	\$335,444,953

*Totals may not sum due to rounding

Sources: AngelouEconomics, C3 Presents, IMPLAN

Total Economic Impacts

- The 2022 Lollapalooza Music Festival contributed **\$335.4 million** to the Chicago economy.
- The 2022 festival is responsible for **2,547 full-time job equivalents hired or sustained**.
- More than **\$135.2 million in labor incomes** were paid to Chicago employees as a result of Lollapalooza.
- Top Sectors by Economic Output:
 1. Food & Beverage: **\$80.8 million**
 2. Hotels: **\$48.5 million**
 3. Entertainment: **\$15.3 million**
- Top Sectors by Jobs created or sustained:
 1. Food & Beverage: **828 jobs**
 2. Ground Passenger Transportation: **300 jobs**
 3. Hotels: **256 jobs**

*Note: All job figures are measured as full-time job equivalents**

**Full-Time Equivalents (FTEs) is a unit of measurement that is commonly used to express the total number of employees or work hours within an organization. It is calculated by combining the number of full-time employees with the number of part-time employees who work the same amount of hours as full-time employees.*



Photo Source: C3 Presents

Economic Impact

Impact of Festival Operations

FESTIVAL OPERATION IMPACTS			
	Full-Time Job Equivalents	Labor Income	Total Economic Activity
Direct	280	\$13,541,413	\$42,010,314
Indirect	51	\$4,843,750	\$11,103,156
Induced	62	\$4,517,808	\$12,103,705
TOTAL*	394	\$22,902,971	\$65,217,175

*Totals may not sum due to rounding

Sources: AngelouEconomics, C3 Presents, IMPLAN

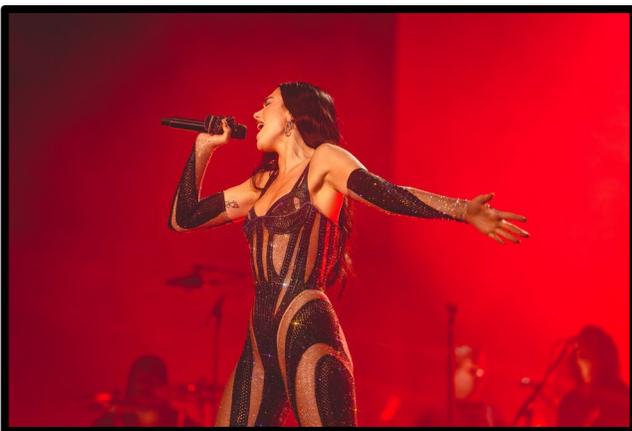


Photo Source: C3 Presents

Festival Operation Impacts

- Festival operations accounted for more than **\$65.2 million** of the total economic impact of the 2022 Lollapalooza Music Festival.
- Festival operations is responsible for **394 full-time job equivalents hired or sustained**.
- Chicago employees were paid over **\$22.9 million in labor income** as a result of Lollapalooza’s festival operations.

Economic Impact

Impact of Lollapalooza Attendee Expenditures

FESTIVAL OPERATION IMPACTS			
	Full-Time Job Equivalents	Labor Income	Total Economic Activity
Direct	1,630	\$69,226,494	\$157,621,816
Indirect	234	\$22,172,613	\$56,407,468
Induced	289	\$20,989,864	\$56,198,495
TOTAL*	2,154	\$112,388,970	\$270,227,778

*Totals may not sum due to rounding

Sources: AngelouEconomics, C3 Presents, IMPLAN

Attendee Expenditure Impacts

- Attendee expenditures accounted for **\$270.2 million** of the total economic impact of the 2022 Lollapalooza Music Festival.
- Attendee expenditures resulted in a total of **2,154 full-time job equivalents hired or sustained**.
- Over **\$112.3 million in labor income** was paid to Chicago employees as a result of the attendee expenditures.
- Impacts include expenditures both on- and off-site of the Lollapalooza festival grounds.



Photo Source: C3 Presents

Economic Impact

Historical Impact of Lollapalooza Music Festival

TOTAL ECONOMIC IMPACT, 11-YEAR TOTAL		
Year	Total Jobs Created or Sustained	Total Economic Impact (in millions)
2010	965	\$85
2011	1,004	\$99
2012	1,241	\$120
2013	1,412	\$140
2014	1,450	\$143
2015	1,415	\$156
2016	2,098	\$210
2017	2,309	\$245
2018	2,494	\$247
2019	2,402	\$248
2020	<i>Canceled due to Covid-19</i>	
2021	2,714	\$305
2022	2,547	\$336
TOTAL	22,051	\$2.334 Billion

Sources: AngelouEconomics, C3 Presents, IMPLAN

12-Year Total Impact of Lollapalooza Music Festival

- Since 2010, the Lollapalooza Music Festival has generated **\$2.334 billion** for the local Chicago economy.
- In terms of full-time job equivalents, the festival has created or retained **22,051 jobs** for Chicago employees over the last 12 years.
- Lollapalooza is a major contributor to the Chicago economy for jobs, labor income, and economic output.

Taxes Generated by Lollapalooza

Direct

DIRECT TAX IMPACT

Category	County	Sub County (General)	Sub County (Special)	State	Federal
Accommodations	\$2,261,319	\$3,528,834	\$437,264	\$3,842,019	\$1,113,130
Band Merch	\$128,243	\$200,114	\$24,798	\$219,031	\$121,110
Bars/Alcohol	\$249,246	\$388,722	\$48,192	\$617,822	\$1,673,678
Car Rental	\$76,956	\$120,095	\$14,881	\$133,881	\$25,190
Concessions	\$122,970	\$191,820	\$23,777	\$299,459	\$619,116
Entertainment and Other Activities	\$606,370	\$946,088	\$117,249	\$1,091,132	\$1,050,780
Festival Merch	\$126,970	\$198,141	\$24,552	\$205,418	\$40,747
Other Retail	\$157,597	\$245,909	\$30,474	\$271,940	\$192,943
Other Car Expenses	\$232,179	\$362,216	\$44,894	\$436,722	\$676,235
Parking	\$6,027	\$9,287	\$1,163	\$96,559	\$689,445
Restaurants	\$97,241	\$151,507	\$18,799	\$412,161	\$1,738,596
Shopping	\$142,098	\$221,750	\$27,477	\$231,143	\$35,655
Taxis and Other Transportation	(\$122,689)	(\$191,603)	(\$23,727)	(\$63,178)	\$864,111
TOTAL*	\$4,084,528	\$6,372,880	\$789,791	\$7,794,110	\$8,840,737

*Totals may not sum due to rounding

➤ In 2022, Lollapalooza generated **\$27.8 Million** in direct tax expenditures

➤ Top Direct Tax Expenditures

- Accommodations **\$11.2 Million**
- Entertainment **\$3.8 Million**
- Bars/Alcohol **\$3.1 Million**

***Tax categories may include negative amounts due to subsidies or the use of such services included in each category by lower wage earners.*

Taxes Generated by Lollapalooza

Indirect

INDIRECT TAX IMPACT

Category	County	Sub County (General)	Sub County (Special)	State	Federal
Accommodations	\$97,997	\$152,795	\$18,947	\$292,192	\$934,370
Band Merch	\$8,428	\$13,138	\$1,629	\$28,648	\$97,555
Bars/Alcohol	\$35,023	\$54,582	\$6,771	\$123,767	\$500,042
Car Rental	\$5,538	\$8,636	\$1,071	\$15,370	\$43,388
Concessions	\$51,696	\$80,614	\$9,995	\$148,430	\$425,727
Entertainment and Other Activities	\$38,303	\$59,730	\$7,406	\$109,983	\$307,024
Festival Merch	\$5,184	\$8,080	\$1,002	\$17,891	\$67,157
Other Retail	\$9,213	\$14,363	\$1,781	\$31,317	\$106,645
Other Car Expenses	\$28,172	\$43,948	\$5,447	\$63,899	\$116,574
Parking	\$14,052	\$21,902	\$2,717	\$52,617	\$192,679
Restaurants	\$59,541	\$92,837	\$11,512	\$177,889	\$554,053
Shopping	\$10,647	\$16,596	\$2,058	\$37,030	\$132,043
Taxis and Other Transportation	\$71,887	\$112,133	\$13,900	\$171,628	\$368,187
TOTAL*	\$435,681	\$679,353	\$84,236	\$1,270,661	\$3,845,445

*Totals may not sum due to rounding

➤ In 2022, Lollapalooza generated **\$6.3 Million** in indirect tax expenditures

➤ Top Indirect Tax Expenditures

- Accommodations **\$1.4 Million**
- Restaurants **\$895 Thousand**
- Bars/Alcohol **\$720 Thousand**

***Tax categories may include negative amounts due to subsidies or the use of such services included in each category by lower wage earners.*

Taxes Generated by Lollapalooza

Induced

INDUCED TAX IMPACT

Category	County	Sub County (General)	Sub County (Special)	State	Federal
Accommodations	\$173,415	\$270,514	\$33,531	\$406,571	\$819,957
Band Merch	\$14,931	\$23,291	\$2,887	\$35,015	\$70,675
Bars/Alcohol	\$100,776	\$157,203	\$19,486	\$236,248	\$476,325
Car Rental	\$5,789	\$9,030	\$1,119	\$13,589	\$27,515
Concessions	\$47,964	\$74,821	\$9,274	\$112,497	\$227,162
Entertainment and Other Activities	\$97,784	\$152,535	\$18,907	\$229,842	\$467,225
Festival Merch	\$10,070	\$15,708	\$1,947	\$23,601	\$47,551
Other Retail	\$20,682	\$32,261	\$3,999	\$48,531	\$98,145
Other Car Expenses	\$48,865	\$76,225	\$9,448	\$114,695	\$232,134
Parking	\$42,528	\$66,339	\$8,223	\$99,939	\$203,019
Restaurants	\$97,507	\$152,104	\$18,854	\$228,637	\$461,308
Shopping	\$13,278	\$20,712	\$2,567	\$31,136	\$62,836
Taxis and Other Transportation	\$51,646	\$80,564	\$9,986	\$121,344	\$246,353
TOTAL*	\$725,235	\$1,131,307	\$140,228	\$1,701,645	\$3,440,204

*Totals may not sum due to rounding

➤ In 2022, Lollapalooza generated **\$7.1 Million** in induced tax expenditures

➤ Top Induced Tax Expenditures

- Accommodations **\$1.7 Million**
- Bars/Alcohol **\$990 Thousand**
- Restaurants **\$958 Thousand**

**Tax categories may include negative amounts due to subsidies or the use of such services included in each category by lower wage earners.

Taxes Generated by Lollapalooza

Total Tax

TOTAL TAX IMPACT					
Category	County	Sub County (General)	Sub County (Special)	State	Federal
Accommodations	\$2,532,731	\$3,952,142	\$489,742	\$4,540,781	\$2,867,457
Band Merch	\$151,601	\$236,543	\$29,314	\$282,694	\$289,340
Bars/Alcohol	\$385,045	\$600,506	\$74,448	\$977,837	\$2,650,046
Car Rental	\$88,283	\$137,761	\$17,071	\$162,839	\$96,093
Concessions	\$222,631	\$347,255	\$43,046	\$560,387	\$1,272,005
Entertainment and Other Activities	\$742,457	\$1,158,353	\$143,562	\$1,430,957	\$1,825,029
Festival Merch	\$142,224	\$221,928	\$27,501	\$246,910	\$155,455
Other Retail	\$187,492	\$292,533	\$36,254	\$351,788	\$397,734
Other Car Expenses	\$309,216	\$482,389	\$59,789	\$615,316	\$1,024,943
Parking	\$62,607	\$97,529	\$12,103	\$249,116	\$1,085,143
Restaurants	\$254,289	\$396,447	\$49,164	\$818,688	\$2,753,957
Shopping	\$166,023	\$259,059	\$32,103	\$299,310	\$230,533
Taxis and Other Transportation	\$844	\$1,094	\$159	\$229,794	\$1,478,650
TOTAL*	\$5,245,444	\$8,183,539	\$1,014,255	\$10,766,416	\$16,126,386

*Totals may not sum due to rounding

➤ In 2022, Lollapalooza generated **\$41.3 Million** in total tax expenditures

➤ Top Tax Expenditures

- Accommodations **\$14.3 Million**
- Entertainment **\$5.3 Million**
- Bars/Alcohol **\$4.6 Million**

***Tax categories may include negative amounts due to subsidies or the use of such services included in each category by lower wage earners.*

Taxes Generated by Lollapalooza

CITY TAX IMPACTS

City of Chicago	2017	2018	2019	2020	2021	2022
Amusement Tax	\$2,390,907	\$4,676,631	\$4,638,715	Canceled	\$4,923,746	\$4,295,555
Lease Tax	N/A	\$174,173	\$96,749		\$130,339	N/A
Use Tax	N/A	N/A	N/A		\$2,010	N/A
TOTAL	\$2,390,907	\$4,850,804	\$4,734,464		\$5,056,095	\$4,295,555

COUNTY TAX IMPACTS

County	2017	2018	2019	2020	2021	2022
Amusement Tax	\$683,326	\$748,659	\$742,841	Canceled	\$820,624	\$715,925

➤ Since 2017, Lollapalooza has generated more than **\$21.3 million** in taxes for The City of Chicago.

➤ Since 2017, Lollapalooza has generated **\$3.7 Million** in tax revenue for Cook County

About AngelouEconomics

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities.

Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development.

As a result, AngelouEconomics' clients diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

To learn more, visit www.angeloueconomics.com



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