



2017 Economic Impact Study

The Texas Wine and Grape Growers Association, partnered with the Texas Wine Marketing Research Institute at Texas Tech University, commissions an Economic Impact Study of the Texas wine and grape industry. Since 2005, this study has proven to be valuable information in both growing and marketing the industry as well as providing statistics for legislative leaders in Austin and Washington DC.

This year, WineAmerica, the national organization of American wineries, commissioned a leading economics firm, John Dunham & Associates of New York City, to conduct a national economic impact study including a state-by-state breakdown. What does this mean for Texas?

- For the first time in many years, the Texas industry can see where we stand compared to other wine and grape states as well as the overall U.S. industry.
- The Economic Impact study was funded by another industry source thus saving the Texas Wine and Grape Growers Association and the Texas Wine Marketing Research Institute thousands of dollars.
- The study can be released 6-12 months earlier than expected.
- The methodology used for the study is broader and more comprehensive than what has been commissioned in the past 10 years.

This study looks at three tiers of the industry: (1) Vineyards that grow the winegrapes and wineries that produce the wine; (2) Wholesalers responsible for transporting and storing the wine; and (3) Retailers, both on-premise and off-premise. In addition to the three tiers of the industry, the study calculates the economic contribution made through the spending of tourists, the number of jobs, wages paid, taxes paid, suppliers who support the industry and industries supported by spending. The results show what economic activity that started in one part of the industry affects many other activities in other areas.

What is the bottom line for Texas? Well, the Texas Wine Industry boosts the Texas Economy by

\$13.1 Billion!

How can that be when Texas showed an economic impact of \$2.27B in 2015? How can this big increase occur in two years? Understanding the methodology of this study compared to studies in the past answers most of that question. Past studies have only focused on the Direct Economic Impact. The 2017 Economic Impact Study brings in the Direct Economic Impact along with the Supplier Impact and Induced Economic Impact to create a much more comprehensive look at the industry.

All vineyards and wineries throughout the U.S. owe a tremendous gratitude to Jim Trezise, Tara Good and Michael Kaiser at WineAmerica for their support of the industry and their foresight in knowing the importance of this Economic Impact Study.

For more information on the study and WineAmerica membership, visit the organization's website at www.wineamerica.org.



What's in a Bottle of Wine?

\$13.1 Billion!

The Wine Industry Boosts the Texas Economy

\$13.1 Billion

Total Economic Impact

394 Wine Producers

in Texas

4,368 Vineyard Acres

104,627 Jobs

\$4.3 Billion

in Annual Wages

1.7 Million

Tourist Visits

\$716.6 Million

Tourist Expenditures

\$1.8 Billion

Total Taxes

\$998.4 Million

Federal Taxes

\$802.2 Million

State and Local Taxes



2017 Economic Impact Report on American Wine Industry
Prepared by John Dunham & Associates, New York
For methodology or additional information visit wineamerica.org
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The Wine Industry Boosts the Texas Economy by \$13.1 billion in 2017

The production, distribution, sales, and consumption of wine in Texas benefits many sectors of the state's economy and generates close to \$13.1 billion in total economic activity. This ultimate value-added product preserves agricultural land, provides American jobs, attracts tourists, generates taxes, and enhances the quality of life.

Economic Impact of the Wine Industry in Texas

	Direct	Supplier	Induced	Total
Output	\$4,532,321,100	\$3,729,467,500	\$4,820,105,800	\$13,081,894,400
Jobs	60,716	16,949	26,962	104,627
Wages	\$1,842,954,500	\$1,069,382,500	\$1,421,703,100	\$4,334,040,100
Business Taxes				\$1,800,525,200
Consumption Taxes				\$335,431,900

Total Output: The wine industry generates close to \$13.1 billion in total economic activity in the State of Texas, dramatically illustrating that wine is the ultimate value-added beverage. The broader economic impact flows throughout the state, generating business for firms seemingly unrelated to the wine industry. Real people, with real jobs, working in industries as varied as farming, banking, accounting, manufacturing, packaging, transportation, printing, and advertising depend on the wine industry for their livelihoods.

State Reach: The Texas wine industry includes a total of 394 wine producers¹ as well as 4,368 acres of vineyards.

Job Creation: The Texas wine industry directly employs as many as 60,716 people, and generates an additional 16,949 jobs in supplier and ancillary industries which supply goods and services to the industry, and whose sales depend on the wine industry's economic activity. Ultimately, 104,627 jobs are created and supported by the wine industry.

Wage Generation: The Texas wine industry provides good jobs, paying an average of \$41,400 in annual wages and benefits. The total wages generated by direct, indirect, and induced economic activity driven by the wine industry are \$4.3 billion.

Tourist Activity: The Texas wine industry is a major magnet for tourists and tourism-driven expenses. Texas' "wine country" regions generates 1.7 million tourist visits and \$716.6 million in annual tourism expenditures, benefiting local economies and tax bases.

Tax Revenues: The Texas wine industry generates sizeable tax revenues on the local, state, and national levels. In 2017, the industry will pay nearly \$802.2 million in state and local taxes, and \$998.4 million in federal taxes for a total of \$1.8 billion. In addition, the industry generates approximately \$66.2 million federal consumption taxes and \$269.2 million in state consumption taxes which include excise and sales taxes.

¹ Throughout this study, the winery count refers to the number of winery facilities. A single winery may have multiple facilities throughout the state or country. Each of these facilities is included in the winery count.

**Economic Impact of Wine Industry
2017 Data
Texas**



Direct Economic Impact			
	Jobs	Wages	Output
Winery	1,961	\$68,641,400	\$500,990,000
Vineyard	371	\$7,953,900	\$16,489,800
Wholesale	2,746	\$270,488,600	\$737,089,900
Retail	48,100	\$1,304,166,500	\$2,768,972,100
Associations	13	\$756,200	\$2,568,700
Research and Education	15	\$1,248,600	\$3,713,600
Tourism	7,510	\$189,699,300	\$502,497,000
Total	60,716	\$1,842,954,500	\$4,532,321,100

Supplier Impact			
	Jobs	Wages	Output
Agriculture	898	\$17,642,300	\$79,550,500
Mining	614	\$92,086,600	\$381,852,000
Construction	332	\$21,341,300	\$62,623,700
Manufacturing	1,764	\$135,506,000	\$884,853,100
Wholesale	768	\$75,207,500	\$203,911,700
Retail	646	\$19,529,600	\$53,281,500
Transportation & Communication	2,043	\$150,725,900	\$618,602,400
Finance, Insurance & Real Estate	2,921	\$139,396,000	\$613,674,500
Business & Personal. Services	5,516	\$364,830,700	\$701,158,100
Travel & Entertainment	1,120	\$26,259,700	\$69,979,000
Government	327	\$26,856,900	\$59,981,000
Other	0	\$0	\$0
Total	16,949	\$1,069,382,500	\$3,729,467,500

Induced Economic Impact			
	Jobs	Wages	Output
Agriculture	827	\$16,417,300	\$77,822,100
Mining	657	\$105,786,800	\$426,546,600
Construction	323	\$20,266,700	\$61,858,800
Manufacturing	1,317	\$100,648,100	\$843,307,900
Wholesale	778	\$75,576,800	\$207,404,200
Retail	3,184	\$110,890,300	\$262,380,400
Transportation & Communication	1,429	\$117,844,000	\$543,929,300
Finance, Insurance & Real Estate	3,519	\$185,507,700	\$1,011,901,500
Business & Personal Services	10,303	\$567,917,400	\$1,038,554,600
Travel & Entertainment	3,848	\$91,112,400	\$262,763,300
Government	301	\$21,988,600	\$67,356,800
Other	476	\$7,747,000	\$16,280,300
Total	26,962	\$1,421,703,100	\$4,820,105,800

	Jobs	Wages	Output
Total Economic Impact	104,627	\$4,334,040,100	\$13,081,894,400

	Federal	State and Local	Total
Business Taxes	\$998,364,700	\$802,160,500	\$1,800,525,200
Consumption Taxes	\$66,235,000	\$269,196,900	\$335,431,900
Total Taxes	\$1,064,599,700	\$1,071,357,400	\$2,135,957,100



Economic Impact of the Wine Industry
2005 – 2017 Data Comparison
TEXAS

	2005	2017
Total Direct Economic Impact	\$997M	\$4.53B
Full-Time Equivalent Jobs	8,000	60,716
Wages Paid	\$235M	\$1.84B
Number of Wineries	113	394
Grape Bearing Acres	3,700	4,368
Number of Wine-Related Tourist Visits	868,000	1.74M
Wine-Related Tourism Expenditures	\$221.7M	\$716.5M
State and Local Taxes Paid	\$39M	\$1.07B
Federal Taxes Paid	\$30M	\$1.06B

Top Five Wine Producing States' Comparison

	Number of Wineries	Total Economic Impact
California	4,581	\$71.2B
Washington	837	\$9.6B
Oregon	814	\$6.5B
New York	450	\$13.8B
Texas	394	\$13.1B