

How Fashion Week Fuels New York's Economy

By Caroline Banton September 8, 2015



The biannual fashion extravaganza, New York Fashion Week, brings a flurry of activity with a huge economic impact on New York City's economy and its residents. Read on to discover just how the influx of fashionistas, celebrities and frustrating traffic jams impact the city's finances.

New York Fashion Week 2015 Likely to Draw \$900 Million in Revenue

New York Fashion Week happens twice a year in New York; once in February and once in September. Each year, approximately 232,000 people attend the two New York Fashion Weeks, according to the New York City Economic Development Corporation (NYCEDC). New York Fashion Week 2015 taking place in the fall will be held from Sept. 10 to Sept. 17, and it will likely be the city's biggest revenue driver.

New York Fashion Week brings in approximately "\$900 million in total economic impact each year," according to a report from Congresswoman Carolyn B. Maloney (N-12) and the Joint Economic Committee (JEC). And \$532 million of that comes from direct visitor spending, according to the NYCEDC. In fact, Fashion Week brings in even more money than the New York City Marathon, the U.S. Open and the 2014 Super Bowl in New Jersey.

Source: New York City Economic Development Corporation & "The Economic Impact of the Fashion Industry" report

How Much Do Designers Spend on New York Fashion Week?

Although the two Fashion Weeks bring in a nice chunk of change for the city, many designers who show at New York Fashion Week have to spend thousands of dollars on their runway shows.

Last year, Fashionista.com talked to members in the fashion industry to get an idea of how much New York Fashion Week costs designers. The grand total? The site found that a reasonable amount spent on Fashion Week is \$200,000. Of course, each cost depends on a variety of factors.

Here's the breakdown of Fashionista.com's findings:

NYFW Expenses	Cost
Models	\$150 per model – \$1,000 per model
Venues	\$15,000 – \$60,000
Styling	\$10,000 total or \$8,000 per day
Hair & Makeup	\$5,000 – \$15,000
Production	\$10,000 – \$20,000
Publicity	\$5,000 – \$15,000
Front-Row Celebrities	\$15,000 – \$100,000
Livestreaming	\$20,000 – \$50,000

Source: Fashionista.com

New York City: The Epicenter of the Global Fashion Industry

Even after Fashion Week 2015 comes to a close, New York City's economy will benefit from the fashion industry. After all, the New York City fashion industry is a \$98 billion industry

With more than 900 fashion companies headquartered in the Big Apple, the city's fashion industry employs 180,000 people — that's 6 percent of the city's workforce, according to the NYCEDC. Thanks to New York City's fashion industry workforce, the city receives \$2 billion in tax revenue from \$10.9 billion in total wages. It's safe to say the city is indeed the fashion capital of the world.

New York City has "eclipsed London, Paris and Milan" as the fashion headquarters of the globe, according to Maloney's report. It's even "reshoring," or creating jobs, in the city that had moved jobs overseas. The economic benefits to the city and its residents include \$18 billion dollars in retail sales annually, more than \$72 billion dollars in wholesale sales annually and \$8 billion dollars in manufacturing sales, according to the NYCEDC.

To maximize the economic benefits, the government is tripling its investment in New York's fashion industry. Mayor Bill de Blasio announced in February that the city will increase its investment from \$5 million to \$15 million with programs designed to support manufacturers, young designers and students, reports the Observer.

More importantly, New York Fashion Week offers a global branding opportunity that "reaffirms the Big Apple as the epicenter of the global fashion industry," said John Boyd, founder of The Boyd Company, a leading internationally recognized company in corporate site selection with clients such as JP Morgan Chase and PepsiCo. "It emphasizes the branding value of the city based on its financial, high-tech and cultural uniqueness."

Boyd also explained that "60 percent of the world's millennials live in Asia, and there is a huge appetite among the Asian middle class for U.S.-branded products." Without a doubt, Fashion Week "fuels global demand for American style and culture."

New York Fashion Week 2015 to Return to its Roots

John Dunham is the president of John Dunham and Associates, a company that creates "economic footprints" for its numerous clients. He believes Fashion Week has turned into a "celebrity circus" over the years.

"It diverted from its origins as an event where designers showcase their wares to buyers from around the world ..." he said. The high-profile nature of today's New York Fashion Week became the norm when IMG began producing Fashion Week.

However, Dunham predicts New York Fashion Week 2015 will be more about the designers and the buyers to benefit the New York fashion industry. He also emphasized the value of Fashion

Week. “Without Fashion Week,” he said, “the design industry in New York would be encouraged to relocate to other fashion centers, like Paris or Milan.”

New York Fashion Week 2015 Ticket Prices

Tickets to most traditional shows are typically only for the press and buyers, and they’re usually invitation-only. But according to NewYorkFashionWeekLive.com, there are open-to-the-public shows that might require a ticket purchase.

For those who want to revel in the glitz and glamour, be warned: a VIP ticket will likely cost you thousands of dollars, according to VIP Concierge, Inc. Here’s how much it would cost to go to some of the famous designer shows:

- BCBG: \$1,750
- Givenchy: \$2,000
- Tommy Hilfiger: \$2,400
- Marc Jacobs: \$1,600

So, if you want to attend New York Fashion Week 2015, be prepared to fork over a few grand or more if you factor in VIP tickets, travel, hotel and transportation costs. But hey — at least you know your money will go back into New York City’s robust economy.