



# GOLF'S ECONOMIC IMPACT

## FACT SHEET





## Fact Sheet

### The 2005 Golf Economy Report

- The 2005 Golf Economy report was researched and written by SRI International, commissioned by GOLF 20/20, and funded through support from the Allied Associations of Golf: The CMAA, GCSAA, LPGA, NGCOA, PGA of America, PGA TOUR and USGA.
- The golf economy was \$62 billion in 2000 and almost \$76 in 2005, for an average annual growth rate of 4.1%, ahead of the inflation rate of 2.5%.

Size of the U.S. Golf Economy in Comparison to Other Industries, 2005 (\$ billion)	
Newspapers <sup>1</sup>	\$50.1
Performing arts, spectator sports and related industries <sup>2</sup>	\$64.7
Motion pictures and videos <sup>2</sup>	\$73.9
<b>Golf</b>	<b>\$75.9</b>

Note: Revenues for comparison industries adjusted from 2004 dollars to 2005 dollars using the GDP deflator.

Source: <sup>1</sup> U.S. Census Bureau, "2004 Service Annual Survey, Information Sector Services," published December 2005; <sup>2</sup> U.S. Census Bureau, "2004 Service Annual Survey, Arts, Entertainment, and Recreation Services," published April 2006. "Spectator sports" includes all professional and semi-professional sports. Operating before a paying audience.

- The golf industry is larger than newspaper publishing, larger than performing arts and spectator sports, and larger than the motion picture and video industry.
- Growth was driven primarily by facility operations, the impact of the national housing boom on golf-related real estate, and recovery in the tourism sector following 9/11.
- Golf facility operations experienced gains driven primarily by higher revenues and also by a net gain in the number of courses.
- Golf economy growth was dampened by a slowing rate of golf course construction (representing a correction in the oversupply of courses) and significantly lower, average capital investment made by facilities in response to the changing economic landscape.
- Golf equipment and supplies sales remained relatively level over this period.
- As a \$76 billion industry, the continued health and growth of the golf industry has a direct bearing on future jobs, commerce, economic development, and tax revenues for a large number of U.S. communities and industries.



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- The total economic impact of golf on the economy of the United States in 2005 was \$195 billion.

Multiplier Impacts on National Economy, 2005						
Industry	Direct	Indirect	Induced	TOTAL OUTPUT (\$ million)	TOTAL JOBS	TOTAL WAGE INCOME (\$ million)
Golf Facility Operations	\$28,052	→	→	\$81,231	913,161	\$25,932
Golf Course Capital Investment*	\$3,578	→	→	\$4,872	38,749	\$1,498
Golfer Supplies**	\$6,151	→	→	\$7,126	71,149	\$2,164
Endorsements, Tournaments & Associations	\$1,682	→	→	\$5,403	57,656	\$1,871
Charities***	\$3,501	→	→	-	-	-
Real Estate ****	\$14,973	→	→	\$39,933	317,570	\$12,276
Hospitality/Tourism	\$18,001	→	→	\$56,549	668,120	\$17,444
<b>TOTAL</b>	<b>\$75,938</b>	→	→	<b>\$195,115</b>	<b>2,066,404</b>	<b>\$61,183</b>

Note: Some of the industry segments included in the direct economy calculations are excluded from the economic impact estimation, because they do not represent new economic activity or their inclusion would result in double-counting. Economic impact analysis is calculated on \$63.2 billion of direct golf economy revenues. The following industry segments are excluded in the economic impact analysis: (1) \*capital investment—only new golf course construction is included for this category since other types of golf facility capital investment are typically financed through facility revenues (and therefore not included because of double counting); (2) \*\*golfer supplies—only the retail margin from the sale of golfer supplies is included in economic impact estimation, since the U.S. is a net importer of golf equipment and apparel; (3) \*\*\*charitable giving—this is a transfer of income rather than new economic activity; and (4) \*\*\*\*golf premium—this is a transfer of assets rather than new economic activity.

- The golf economy includes a total impact of 2 million jobs, and total wage income of \$61 billion.
- The game of golf is truly a major industry in its own right, and is a significant contributor to the economy of the United States.